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"HOPE, however, lingers to the last. In the sedate, but vigorous character of the British nation, we may place great confidence. Let us not forget also an influence too much underrated in this age of bustling mediocrity—the influence of individual character. Great spirits may yet arise, to guide the groaning helm through the world of troubled waters; spirits whose proud destiny it may still be, at the same time to maintain the glory of the Empire, and to secure the happiness of the People!"

BEACONSFIELD.

NOTES OF THE WEEK.

Bella gerant alii, this part of the well-known Austrian motto at least is apt to-day. The offensive launched with German thoroughness and vehemence against Italy was at the beginning of this week clearly a failure; later it proved a disaster, but not an irreparable one. The Press has destroyed the Austrian army several times in the course of the war. In the region of the mountains the attack was given up at an early stage, and on the Piave, floods due to heavy rain made the enemy's position on the further bank much worse. It was very difficult, as the Austrian report plaintively declared, to get to their men thus isolated the barest supplies of provisions and munitions. The Italian troops stopped further advance, and the desperate endeavours of the Austrians proved so hopeless that by Sunday evening they were recrossing the Piave in disorder.

General Diaz seized with admirable promptitude the chance to turn on the retreating enemy who have suffered immense losses in dead and prisoners, while a large number of the guns taken in the early stages of the fight have been recaptured. By Wednesday the Italians had restored entirely the river line they held before the offensive began, and had made a considerable advance in the section near the Adriatic. The flooding of the Piave somewhat hampered the pursuers, but a good deal of execution was done on the river when the Austrians cleared out of the Montello. Nothing like a permanent bridge was possible, and the Italian artillery and floating mines caused great havoc. In the mountain region our Allies have been pressing on, gaining ground and more prisoners. But it would be a mistake to suppose that the Austrians are done for; they are making a good fight in various quarters.

The first Lord Houghton used to be called "the cool of the evening" on account of his well-known impetuosity. Baron von Kühlmann might be dubbed "the cool of the Continent" by reason of the brazen

effrontery of his speeches. His application of Moltke's "Woe to him who sets Europe afire" to the Entente is only equalled by his contradictory assertion that Germany did not plan the war, and yet was all the time prepared for a long war. As Russia, France and England were foolishly and culpably unprepared for any war, history will judge of the guilt, which we agree it is childish to argue now. The only true observation which Baron von Kühlmann made, that in modern war it is doubtful whether any decisive result can be obtained, so enraged the Reichstag that Count Hertling had to be called in to explain it away.

The truth invariably stings the German nation like a gad-fly into uncontrollable irritation. Bethmann-Hollweg's admission that the invasion of Belgium was a crime, Prince Lichnowsky's memoirs, and Baron von Kühlmann's hint that it might be necessary to appeal to diplomacy to end the war, all raised a storm. It is obvious that the German Government, who know all about the destruction of their submarines and the arrival of American troops (facts concealed from the public), are feeling their way towards peace. Some poor devil of a Chancellor is put up to fly a kite, which generally drops quickly to earth. If the clamour of the German public is too loud, the Chancellor is sent about his business, and a new liar tried. Baron von Kühlmann is no fool, and he knows England well. It is worth running over his peace terms, or, what comes to the same thing, his war aims.

"The boundaries drawn up by history" must be the first condition of peace, says the Baron. What period of history? During the seventeenth and the first half of the eighteenth centuries, Germany's boundaries were those of "the Empire," and included the greater part of Europe, latterly, the northern provinces of Italy, what is now Belgium, Austria, the German confederation, in which Prussia under the name of Brandenburg was a petty electorate, and a sort of standing claim to Spain. It was not until after the peace of Aix-la-Chapelle, in 1748, that Prussia became a kingdom. In 1871 Alsace and Lorraine, which had been bandied about, like all frontier provinces, between Emperor and King, were taken from France by Prussia. What are the historical boundaries of Germany?

"Overseas possessions corresponding to our greatness" is the second item, and means the restitution of the captured German colonies. This is one of those demands that depends on the length of the war, and the desire for peace: it certainly will not be granted willingly, but it may be conceded, as to some of the colonies at all events, by a wearied world. He talks of "Freedom for carrying our trade on the free sea to all Continents." This, of course, is pure clap-trap, for the seas are free, in time of peace, under existing international law to all nations, except pirates. It is a vague phrase used to keep alive the demand for free entry into Entente ports after the war, and facilities for wireless and cable installations. Admiral von Tirpitz has repeatedly stated that Belgium is the centre of political gravity for Germany, and what von Tirpitz says to-day Germany thinks to-morrow. But about Belgium Baron von Kühlmann declines to commit himself.

It is difficult to know how much to believe of the telegraphic reports of riots in Vienna or Berlin or other Continental towns. A few hundred starving women, ragged corner-boys, and squalling infants, who parade the streets and smash windows, may be called a riot, or a rising, or even a rebellion, without shaking the Government, or giving it more than a passing hour's annoyance. We have had these things even in this country. In 1887, owing to a severe winter and bad harvests and trade, there were daily riots in Trafalgar Square; mobs paraded the West-end streets, breaking windows, looting shops, even stopping carriages in Hyde Park and demanding money or jewellery. Large bodies of police and, finally, soldiers were called out; a brace of Members of Parliament were imprisoned; and there were debates in the House of Commons. Did anyone suppose that the Government of England was shaken? A couple of years ago we had the armed rising or rebellion of Sinn Feiners in Dublin, when many hundreds were killed and wounded and imprisoned. Did anyone imagine that the war policy of England was thereby affected?

These reflections apply to the reports which are supplied us by friendly news-agencies of riots in Vienna. No doubt the situation of the populace in Vienna and Buda Pesth and Prague and Galicia is uncomfortable, or, rather, desperately miserable. But when did the misery of their subjects ever matter to the Austrian Government? Why should we suppose that the bureaucrats of the Ball-platz regard the riots otherwise than Downing Street regarded the Trafalgar Square riots, as a passing annoyance? Besides, we must remember that in Austro-Hungary (as in all belligerent countries), a large number of capitalists and their employees and very many landowners, farmers, and peasants, are growing rich by the war. When fussy and timorous propagandists try to alarm us by tales of the spread of pacifism, we reply by whispering in their ear three magic letters, L.S.D. Austria will retire from the war when her Czech, Slovak, Ruthenian, Magyar, and Southern Slav soldiers are tired of fighting for Germany. And when will that be? When they are certain that the Germans can't win.

Of all the tragedies of the war the fate of Roumania is the saddest; but let us hope the book is not closed. Serbia was attacked by Austria, and had to fight for hearth and home, like Belgium. But Roumania was outside the fighting zone, and for the first two years remained happy and peaceful. But she was tempted by the Entente Powers, particularly by Russia, to enter the fatal fray, and she has been betrayed by her tempter, and is to-day being dismembered. Roumania was tempted by the offer of Transylvania, and definitely assured of military support by Russia at a given moment and in a given place. That support was not forthcoming: Russia deserted Roumania, as she deserted her Western Allies. The Great Betrayal of the cause of freedom by Russia is one of those national crimes which history neither forgets nor forgives.

Nothing is more common than for robbers to quarrel over the division of their spoils. The partition of Roumania has caused great jealousy between Bulgaria and Turkey, who are both fainting for reward. What Baron von Kühlmann calls the "condominium" in the Northern Dobrukscha, the Roumanian province bordering on the Black sea, does not please Turkey, who is furious at the idea of Bulgaria becoming a rival Black Sea Power. Turkey thinks that the Black Sea should be a Turkish lake, and therefore formulates amongst her war aims that an Osman prince shall be regent of the Crimea, that the Tchernia basin shall be given to her, and that the ports of Constanza (on the Black Sea) and Dedeagatch on the Gulf of Enos (Ægean Sea) shall be internationalised. Turkey is willing that an Austrian Archduke shall rule in Armenia and a German prince in Georgia.

For a barbaric Power, bankrupt of money, men, and food, Turkey's "war aims" do not err on the side of

moderation. "There is nothing like asking, except refusing," as a wit said. In addition to the demands just mentioned, Turkey requests the restitution of Egypt to the Sultan; the evacuation of Irak, Palestine, and Jezirez; the independence of Persia; the restitution of Tripoli, Cyrenaica and the Dodekanese by Italy; the restoration of Crete; a guarantee from Germany of supplies of food and money. It will thus be seen that England, Italy, and the Central Empires are each to contribute substantially to the restoration of the ancient splendour of the Brother of the Moon. Amongst the mountains of the moon perhaps, but not in this workaday world, will the Sultan recover his former empire.

Colonel Sir James Craig cut through the cloud of words—*verba otiosorum senum*—in the Home Rule debate by a definite and helpful offer. If, said he, the Government will introduce a one-clause Bill cutting Ulster out of the Home Rule Act of 1914 (which most people seem to treat as repealed), "I will guarantee them 50,000 men in a fortnight." The only other pregnant contribution to the debate came from Sir Frederick Banbury. He reminded Parliament and the country that the Prime Minister had obtained the statutory power to apply conscription to men in this country up to the age of 51 (and if necessary 55) by the distinct promise that compulsory service would be applied to Ireland. Mr. Bonar Law endorsed the Prime Minister's engagement and the two Ministers joined in assurances that the fulfilment of the promise in nowise depended on Home Rule.

Messrs. George and Law got their Bill for England and Scotland, and they are in process of getting the men. But it is not convenient to fulfil the promise with regard to Ireland: the consideration for the English Act is not going to be paid. In civil life this failure to perform the consideration for a bargain is called by an ugly name, and is generally followed by legal proceedings against those who have got what they want by misrepresentation. But in politics, particularly in Irish politics, this breach of faith seems to be regarded as rather a good joke. Voluntary recruiting, we are told is to be tried first, backed by vague promises of land, somewhere to somebody. But, as Sir Edward Carson put it pithily: "Your voluntary recruiting will break down, because the willing ones have gone, and you are trying to bribe the unwilling ones who will not go."

The attacks on Mr. Leverton Harris, because his wife has acted thoughtlessly and with questionable taste, seem to us very unworthy. Mr. Harris is an able and hard-working member of the Government, who has been seduced by the political will-o-the-wisp into leaving a lucrative family business. It is ungenerous and indeed absurd to suppose that in asking for priority for the cables of his shipping firm he had any other idea than that of expediting the freight of provisions and ore to this country. If defamatory personalities are going to be the programme of the National Party, it will not attract supporters. When charges of laxity in conducting the early blockade are brought against Lord Robert Cecil and Mr. Leverton Harris, the accusers ought to know (as all well-informed persons know) that a strict blockade would almost certainly have driven the Americans into declaring an armed neutrality, or possibly into forming a hostile confederation of neutrals.

General Page Croft's use of an official correspondence (copies of which were sent to him anonymously) in the House of Commons to damage a friend and colleague is contrary to all the traditions of English public life. Legally, we suppose, it must be an offence against the Official Secrets Act or the Defence of the Realm Act: but we are not thinking of the legal aspect of the matter. Mr. Leverton Harris and Mr. Page Croft have worked for years together on the Tariff Reform League. So far as a common political aim, "idem sentire de republica," can bind men together,

these two men were friends. What has come over our political life, when one of these men (brought up at Eton and Cambridge), can stoop to the use of such weapons to wound an old comrade? The sad and certain result of this madness will be to drive all decent men out of politics.

The eight Labour members of the Government have published a manifesto, rebuking the restless spirits of faction who trouble their household. We observe that the Ins always describe the Outs as factious, and dwell unctuously upon the virtues of unity and discipline. The cant word for independent criticism at this moment is "sniping," borrowed from the sharp-shooter in the war. Speaking of the necessity of sinking in a Coalition Government "personal predilections," the Labour leaders let slip the following sentence: "During the last three years measures of democratic reform have been passed, albeit in a time of war, greater than at any previous time in the history of the country." Quite so: the Tories have sunk their "personal predilections," while the Radicals and the Socialists have translated theirs into Acts of Parliament. Rather a one-sided sort of sacrifice; but of course we do not expect Messrs. Barnes, Hodge & Co. to discover it.

The eight Labour leaders, who sign this manifesto against "the anti-national factionalists" (what a phrase!) draw between them salaries to the amount of £15,700 a year. To the trade-union secretaries, agitators, and shop-stewards, who stand outside, such a sum must seem "wealth beyond the dreams of avarice." It is only human nature that this crowd of younger competitors should desire to attract to themselves some few drops of this golden shower, and that they should think themselves as capable of earning it as Messrs. Barnes, Hodge, Roberts & Co. Of these malcontent outsiders, Mr. Snowden is the least dangerous; he is too bitter and ill-natured ever to lead a party or a faction. Mr. Ramsay MacDonald, Mr. Tom Mann, Mr. Hartshorn, Mr. Anderson, and a few others, are more formidable. In all revolutionary movements, the first leaders are pushed on and out by those behind. "The age is grown so picked" that the toe of the shop-steward comes so near the heel of the Labour leader "that it galls his kibe."

As there must be a General Election, either this autumn or early next year, for the new voters cannot be indefinitely kept out of their rights, it is natural that the various Labour parties should take counsel together. Whether the political truce has or has not been kept during the past two years is not very interesting. The question is, what are Labour parties going to do at the next General Meeting? The Conference has decided by 2 to 1 to break the truce, which means that some 400 Labour candidates will be run at the next election. But what sort of Labour candidates will they be? Mr. Smillie said, with some wit, that he had no fancy for going into an election with a Fabian essay hung round his neck. Perhaps, after all, Mr. Sidney Webb's ambitious scheme of harnessing the slaves of Labour to the triumphant chariot of the Fabians may miscarry.

We must both congratulate and condole with Mr. L. J. Maxse. In the year 1914-1915 the sales of the *National Review* realised a profit of £2,000 in excess of the average profits of the best two of the three preceding years, the amount of which is not given, but must have been a large sum. The Income Tax Commissioners, with a grace rare in that office, exempted Mr. Maxse from the excess profits duty on the ground that he was a professional man, not a trader. The more prosaic Mr. Justice Sankey has degraded Mr. Maxse to the level of a trader, because, however much he may write in the *Review*, he owns it and lives on its sales. Half of the £2,000 will therefore go into the maw of the Treasury, and a larger proportion next year. But after the confiscation of a large slice of his profits, Mr. Maxse must obviously be making enough out of the *National Review* to compensate for his loss of the status of a professional journalist.

We are sorry for Captain Banbury, who was innocent enough to invest £25,000 in a bad mortgage to a Canadian lumber company on the advice of a bank manager at Victoria, British Columbia. At the first trial in the High Court of Justice the jury disagreed: at the second trial Captain Banbury secured a verdict which made the Bank of Montreal liable for its bank manager's bad advice, and restored him the £25,000. The Court of Appeal set aside this verdict, and ordered judgment to be entered for the Bank. In the House of Lords, the Lord Chancellor and Lord Shaw held that the Bank was liable for its manager's advice; but the majority, Lords Atkinson, Wrenbury, and Parker, held that the Bank was not liable, and dismissed the appeal, leaving Captain Banbury with the costs of four trials and a bundle of worthless securities. How Fortune banters us, especially when she assumes the long robe!

The judgment of the House of Lords in *McMillan and Arthur v. The London Joint Stock Bank* decides that if a customer is careless in signing a blank or partially filled cheque, he must bear the loss, not the Bank. In this case the partner had signed a cheque with no words written in the space for the amount, and with the figure 2 widely espaced, where the numerals are written. The clerk wrote "a hundred and twenty pounds," made 2 into 120, and absconded with the cash. A bank is bound to know the signature of its customer, of which it has a specimen, and in cases of a signature badly imitating or not in the least resembling that of the drawer, presumably the bank would have to refund if it cashed the cheque. Bank and customer are simply debtor and creditor doing business together, and each is bound to practice ordinary care and diligence, or take the consequence of carelessness. How far a director or partner is entitled to rely on his subordinate in matters of detail or routine was an aspect of the case which the Lord Chancellor did not touch. In signing certificates of shares, or cheques for petty cash, or passing transfers, is not a director entitled to rely on his subordinate? We think there are some cases which decide that he is.

Lord Grey's pamphlet on the League of Nations contains this feature of novelty, that Germany is to be a member of it, willingly or unwillingly. This is at least logical and practical, though whether it be practicable or not is another matter. Lord Grey's view is that if we are to gain security against another and a far worse war in ten or twenty years, Germany must be bound by the League that binds the rest of the world. We do not ourselves believe that, however this war may end, there can be another war until the German babies have grown into full-fledged Huns, say, in twenty-five years; and a great deal will happen in that short period. The League of Nations, if it is to start at all, must start without Germany and Austria, and wait for time to bring them in. Already the Kaiser has ordered a bridge to be made from the palace to the Socialist camp over the bodies of the upper and middle classes, and this means much, very much, for the immediate future. Soon there will be nothing in the modern world but heads of State (under whatever name), functionaries, and proletariat. Aristocracies and bourgeoisies will go under, until another reaction or revolution comes along.

Sir John Jellicoe, if we remember right, promised us the end of the submarine peril by August; but definite details of the enemy's losses have hitherto been lacking, and the amount of shipping the Allies are losing remains serious. Last week M. Cels, the French Under-Secretary of State for the Navy, stated that two-thirds of the submarines launched by the Germans had been sunk, and twice as many were being destroyed as were being built. We much prefer a definite statement of this kind to the comforting prophecies of politicians in moments of expansion. The prophets of this war belong rather to the race of bad guessers than to the authentic line.

THE POLICY OF HOPE.

IF England were not at war, and, in a sense, upon her trial before the world, Sir Edward Carson and Lord Londonderry might well chuckle over the failure of the Government to find an Irish policy. But Ulster men, being as whole-hearted patriots as any within the lists of the Empire, must share with their fellow citizens of every class, country and party the humiliation of the position. What the enemy may think we do not care: but what must the Canadians, Australians, South Africans, and Americans think of the confessed impotence of the British Government to govern Ireland? In little over two months the Government have announced and renounced three policies for Ireland, viz.: Conscription, Home Rule, and voluntary recruiting backed by promises of land grants. Nobody knows which of these three horses is really "meant" to win, though voluntary recruiting is the favourite at the moment. But as Sir Edward Carson bluntly told the Government, the volunteers are all gone already, and you are left with the men whom nothing but compulsion will draw to the colours. Why should Lord French and Mr. Shortt believe that voluntary recruiting will succeed, even with the assistance of the Walshes and the Lynches? The land-bribe is far too vague and uncertain to attract the unwilling recruit. The Irish tradesmen and peasantry are as shrewd a proletariat as any in the world, and they are not sure where the land is coming from, or what they would do with it when they got it.

The hard teaching of events has apparently convinced the British Home Rulers that it is madness to try to settle the Irish question in the middle of the war. Archbishop Whately, in 1835, recorded his deliberate opinion, after studying the matter in Dublin, as an unprejudiced English divine, that the Irish question would never be settled except by the extermination, political or physical, of one Irish party or the other. We are not sure that the Primate's conclusion has been shaken by the lapse of eighty-three years. But "hope springs eternal" in the breast of politicians, and Mr. Shortt and Mr. Lloyd George hope manfully that Home Rule is only suspended, not abandoned, though what their hopes are about Conscription they did not explain. We share the opinion of one of our contemporaries that, apart from its absurdity, the alarming fact about Ireland is the levity with which the British Government takes up and lays down policies without any sufficient reason.

Mr. Shortt's speech narrated the story of German intrigues in Ireland and contained this sentence: "the first step—and I lay great emphasis on this—was to rescue the liberties of the great majority of moderate Irishmen from the license and terrorism of the extremists." Could there be a more scathing indictment of the Government of Lord Wimborne and Lord Justice Duke? The German propaganda began, according to Mr. Shortt, as long ago as 1911; it broke out violently at the beginning of the war in 1914; and it culminated in the rising of Easter 1916. A German agent landed from a submarine on the west coast in a collapsible boat on 12 April last. Lord Wimborne boldly said in the Lords that he knew nothing of German plots in his time, and he had the unhappy hardihood to add that he did not believe that there was any German plot. Lord Justice Duke has prudently removed himself from the arena of controversy, and sits where silence is becoming, if not obligatory. Why has this long chain of lawlessness and German conspiracies only been discovered in May, 1918? Lord French said explicitly in Dublin that the policy of compulsory service had not been abandoned, and would, if necessary, be resorted to. The Prime Minister said in the House of Commons that Ireland, like England and Scotland, must first be given the opportunity of voluntary enlistment. But the end of the fourth year of the war is rather late in the day to present the alternative to Irishmen.

We wish that the Chief Secretary had not spoilt an excellent speech, full of the resolution to maintain law and order, by a tawdry peroration about "the great

true heart" of Ireland being "sound at the core." This sort of clap-trap imposes on nobody, least of all on Irishmen, whose derision it excites. An unfortunately large section of the Irish people are disloyal, and they are assisted by the Roman Catholic Church, the only difference between priests and parishioners being whether the disloyalty shall be active or passive. We are actually asked by some to feel gratitude towards the Roman hierarchy because it has persuaded its flocks to be passive instead of active traitors. We prefer the active to the passive rebel, as he is more easily dealt with. Sir Mark Sykes made the astounding suggestion that legal proceedings should be taken against the priesthood to ascertain whether they had really brought spiritual pressure to bear upon their parishioners to abstain from enlistment. Fancy asking the Irish police, nine-tenths of whom are Catholics, to lay hands on the sacred person of their priest to hale him before a lay, probably a Protestant, tribunal! If anything could fan the embers of a civil war into a conflagration, it would be the policy of Sir Mark Sykes.

It is indeed useless to examine the Irish policy of the Government seriously, for they have admitted themselves that they have no policy but that of hope, and that they have not time in the middle of the war to devise a policy. Why had they not the courage to say so before, instead of keeping up a pretence of intending to do things which they knew were impossible? The Colonial Premiers now in London are, we understand, mildly amused by Mr. Asquith's suggestion that they should take on the burthen of our Irish difficulties, and propound a settlement. The Government will go on hoping that their Irish stew will somehow or other become digestible. But "hope," as Halifax puts it, "is generally a wrong guide, though it is very good company by the way. It brusheth through hedge and ditch till it cometh to a great leap, and there it is apt to fall and break its bones."

MR. CHURCHILL AND THE SATURDAY REVIEW.

THE letter from Mr. Churchill's secretary, published below, arrived on the eve of going to press last week and was therefore reserved. In order that our readers may understand the letter we reprint the notes referred to which appeared in our issue of June 15.

"Will the nation never open its eyes to the fact that Mr. Winston Churchill at £5,000 a year is a very costly luxury? As First Lord of the Admiralty he let us in for the catastrophe of the Dardanelles and the fiasco of the Antwerp relief raid, both of them 'gambles' that went the wrong way. [A] The report of the Dardanelles Commission (or as much of it as we have been allowed to see) was so damning that Mr. Churchill was forced out of the Admiralty into the Chancellorship of the Duchy, which he resigned in a pet. By playing on the fears, or appealing to the compassion, of Mr. Lloyd George, Mr. Churchill contrived, in the teeth of the angry protests of the whole Conservative party, to push Dr. Addison out of the Ministry of Munitions and occupy his place.

Dr. Addison was feeble and incompetent enough, as everybody knows, and jobbery and corruption flourished under his nose. But Mr. Churchill is worse, because less scrupulous and timorous. The Ministry of Munitions is a big public scandal, neither more nor less. Mr. Churchill at once began by raising wages, and with his 12½ per cent. bonus he did more to increase the cost of living to the poor and to demoralise industry than the most blatant trades-union agitator. Hardly a day passes but some huge loss to the public is brought to light by the frenzied finance of the department over which Mr. Churchill presides. [B] First of all £3,000,000, then £4,000,000, are discovered to have been lost or wasted by sheer laziness or laxity or dishonesty on the part of those whose business it is to keep the accounts of the Munitions Department. What does

Mr. Churchill care? Lord Randolph Churchill sacrificed his office, his health, his happiness, in the heroic endeavour to secure public economy. His son is content to make telling speeches from the box, while his clerks are squandering millions." The letter commenting on our notes runs as follows:

Whitehall Place, S.W.
20th June, 1918.

Dear Sir,

Mr. Churchill's attention has been drawn to two paragraphs in your issue of June 15th last, a copy of which is enclosed. He is confident that, however severe you might wish to be in censure or criticism, you would always desire to conform to the limits of what is fair and true.

From this point of view Mr. Churchill desires me to commend to your notice the two passages which are underlined, and to observe in regard to the first of them (A) that the Report of the Dardanelles Commission was published on the 8th March, 1917, whereas Mr. Churchill had left the Admiralty on the 27th May, 1915. The event, therefore, which you describe as the result had taken place two years before the event which you describe as the cause.

In regard to the second passage marked (B), Mr. Churchill is at a loss to know to what you refer. It is quite true that certain cases of serious waste of money under the Ministry of Munitions have been referred to, both by the Parliamentary Committee on Expenditure and in the Report of the Controller and Auditor General, and it is these which he presumes have attracted the attention of your contributor. There is a good deal to be said on the other side of these cases on their merits; but from the point of view of the personal attack which you are making, it was surely important that no cases of waste of money cited either by the Parliamentary Committee or by the Controller and Auditor General relate to any period later than the 31st March, 1917. Mr. Churchill did not assume office at the Ministry of Munitions, or, in the agreeable language of your contributor, did not succeed in "pushing Dr. Addison out of the Ministry of Munitions" until the 17th July, 1917.

Mr. Churchill does not desire to draw your attention to these points in any spirit of controversy or reproach. His feeling is one of sheer wonder that a paper of the reputation and history of *The Saturday Review* should, in these grave times, be so swayed by personal prejudice, and that being so swayed, it should not find it possible to base an attack on grounds which cannot so easily be shown to be the exact reverse of the truth.

Mr. Churchill, in conclusion, desires me to say that you are welcome to publish this letter with the passages to which it refers, if you think fit or find it convenient, but he does not press you to do so, nor to make any withdrawal or explanation. He is quite content to leave the points which he brings to your notice to your own reflections.

Yours faithfully,
E. MARSH.

We admit at once that we ought to have adduced the facts of the Dardanelles Expedition, instead of the Report of the Dardanelles Commission, as the cause of Mr. Churchill's retirement from the Cabinet. But it astonishes us that so experienced a controversialist as Mr. Churchill should fancy he scores by correcting an error of dates, not of substance, which only makes his own case worse. For it is worse, far worse, for a Minister to be forced to retire by his colleagues, upon facts known only to them, than by the clamour of the public over the report of a commission.

With regard to the second note, Mr. Churchill has read it hastily. The only charge of commission which we make against Mr. Churchill is the granting of the 12½ per cent. bonus, which wrought incalculable mischief. The latter half of the note is a charge of omission, namely, the neglect of Mr. Churchill to utter one word of rebuke or condemnation, or to take any

discernible step to repress the financial scandals of his Department, which are almost daily brought to light. If Mr. Churchill is not aware that several cases of gross laxity in accounting have been discovered by the Comptroller and Auditor-General since July, 1917, he is even more ignorant of the affairs of his Department than we had supposed. Only in the last few days, after a continuous bombardment from the Press, has Sir Laming Evans told us of the serious organisation of the Department.

Our attack on Mr. Churchill is political, not personal. It is just because the times are grave that we denounce the Minister who, without consulting the employers or even the representatives of labour, scatters largess out of the public purse, and thus raises the cost of living for millions, and aggravates the ever-growing difficulty of dealing with employees. We are not swayed by prejudice: indeed, Mr. Churchill is one of the few Ministers for whom we cherish anything like a personal regard. Not all the reckless plunging of his prime can rase from our memory the services of his sire and of his own happier youth.

OXFORD AND CAMBRIDGE STORIES.

THE prosperity of a jest depends so much on its setting, the demure face of the utterer, the odd circumstances of its appearance, even its apt ineptitude that appearing in cold print it loses a good deal of its charm. It is like a butterfly pinned down in a cabinet. When it flies at its best lively over the lips of men, it soon loses its freshness, though it is blushlessly ascribed to W. S. Gilbert or some other prime wit of the age—old wine and old friends are rightly preferred, but old jests have no such advantage. The seventeenth century specimens, say, in the 'Banquet of Jests and Merry Tales' by Archie Armstrong, court jester to James I. and Charles I. leave us singularly cold, and we must say the same of the earlier jests which the Rev. T. Selby Henrey has gathered for us in a volume* where we cannot conveniently reconsider our taste, because it lacks an index. Oxford and Cambridge Stories are undeniably attractive—to the student of origins, because they belong one year to Jowett (supported by an earlier master of the same name at Trinity Hall) and the next to Thompson; and to the connoisseur, because the best of them belong to men trained in irony and style.

"You may go," chirped Jowett to the relations gathered round him in his last illness: "I do not think I shall do anything definite to-night."

It was Jowett who said that a woman can bear all partings but one—parting from her luggage—but, though a wiser man than Thompson, he was not so witty. We could do with more of the famous Master of Trinity who, hearing Seeley profess Modern History, remarked: "I did not think I should regret poor Kingsley so soon," and, entering the University Church in a crowd with the select orator of the day, exclaimed: "Make way for the preacher, or some of us will be disappointed."

Mr. Henrey has not forgotten the verger who, after many years at a University Church, was able to congratulate himself on still being a Christian. We do not remember, however, in his collection anything of Bowen, one of the brightest wits and best after-dinner speakers of his day. It was he, who, viewing throughout a summer's day at the Oval the undefeated powers of that diminutive cricket professional Abel of Surrey, explained that a "good bat" was a little creature that went in early in the morning and did not come out till late in the evening. Bowen, too, at a Literary Society, when someone mentioned a work entitled 'Defence of the Church of England by a Beneficed Clergyman,' suggested, "In other words, a Defence of the Thirty-nine Articles by a bona-fide holder for value." He spoke of

* Good Stories from Oxford and Cambridge. Compiled by T. Selby Henrey. With an Introduction by Sir Herbert Warren. (Simpkin Marshall. 3s. 6d. net.)

Professors mounting guard over their erudition as if they were keeping an eye over their luggage at a crowded railway station, and described Eugène Sue as not fit either to serve in heaven or reign in hell. Apt quotations from English classics do not please everybody nowadays, and even those from Scripture may, apart from their taste, miss fire in an age when the Bible is not so well known as it was. Mr. Henrey has included some well-known applications of Scripture, but nothing we think, as good as the following advice to Lord Salisbury in 1896: "Go unto Joseph; what he saith to you, do."

Henry Smith is a rare example of a wit among mathematicians; the classical men, who have produced the best light verse since Prior's day, have the pre-eminence here. At the Oxford election of 1865, when Gladstone lost his seat, his opponent was Hardy. The practice then was for electors to record their votes by word of mouth before tellers of each party. Smith was acting as teller for Gladstone, when an uncouth parson recording his vote said: "I vote for Mr. Glad—, I mean for 'Ardy.'" "I claim that vote," put in Smith. "No, no," said the parson, "I didn't finish the name." "You didn't even begin the other," retorted the Professor.

Classical howlers are somewhat discredited nowadays as humorous since so many people make them. But one example of the kind may not be amiss. When Archdeacon Denison was standing for a Fellowship at Oriel, his next neighbour, an elderly candidate for matriculation at the same college, whispered to him: "Would you oblige the father of a family by telling him whether *aliquando* is a preposition or the name of a heathen god?" It does not sound veracious, but it is guaranteed by an Archdeacon, and supported by a beach preacher at Hastings, who, in the present writer's hearing, told his scanty and rapidly disappearing audience that religion was derived from the pagan god Religendo. The older school of dons at Oxford made some good classical jests, of which Mr. Tuckwell, the son and brother of famous Oxford doctors, is a delightful recorder. The dons were also the cause of wit in others. Was not Bonamy Price credited with describing Niagara as "a beastly place: can't hear the sound of one's own voice"; while another talkative don, who went about with his arm in a sling, was supposed to have been trying to hold his tongue? Cambridge, however, supplies the neatest and briefest rebuke for tall talkers. A don after a display of this sort turned to the junior Fellows present, and added: "You young men will bear me out in this." Quick came the reply: "Yes, like Ananias." Jebb was capable of equally apt reductions of pretentious speakers, but his wit came out almost unwittingly, with a shyness and a slyness suggestive, as Verrall remarked, of Addison. It was he who said of two recently reconciled persons who had been seen skating together: "They could hardly have met upon a colder footing." The brilliant and unfortunate J. K. Stephen survives for the general public by virtue of his:

"When the Rudyards cease from Kipling,
And the Haggards ride no more."

Few knew of his excellent addition to Wordsworth, current in two variants, one of which runs: "Heaven lies about us in our infancy; and we lie about ourselves in our old age."

Nowadays the American story is considered the most acceptable form of jesting, and we have seen things from Dean Ramsay's fine collection of Scottish wit and even from Dr. Johnson ascribed to the United States. Emerson addressed the Sphinx in a longish poem, to which we prefer what the Sphinx said to him according to a witty woman of his circle, "You're another." The fault of the American humour, admirable in many ways, is over-elaboration, due to a people trained in rhetoric. This, for example, of Oliver Wendell Holmes is pleasant, but a bit overdone. A lady who was puzzled over the reference in 'Elsie Venner' to the "twenty-seventh letter of the alphabet," wrote to the author that neither she nor Cousin Edward could make out the allusion. Back came the reply:—

"My dear Miss Lavinia,—The twenty-seventh letter of the alphabet is pronounced by applying the lips of the person speaking it to the cheek of a friend and puckering and parting the same with a peculiar explosive sound. 'Cousin Edward' will show you how to speak his labial consonant, no doubt, and allow you to show your proficiency by practising it with your lips against his cheek. For further information you had better consult your *gra'mma*."

The Irish are allowed to be witty but the English seldom. Academic people are supposed to be dull; yet we recall few happier comments than that of a University Professor after a big row in which the worst offenders found themselves awkwardly treated by the law and the mayor. Of this official, not perhaps a very strong character, somebody said: "He has no convictions." "I beg your pardon," came the precise voice of the Professor: "he has now got seven."

In hinting that jests are not like wine, improved by age, we must not be taken to despise the wit of the eighteenth century, a time distinguished for its gentlemen and scholars. Chesterfield, Wilkes, George Selwyn and others—we prefer generally the Aristocratic Amateur of that period to the more professional purveyor of puns and *persiflage*—said many good things. Mr. Henrey does not give us much in this way and he has misinterpreted Lord Holland's jest of "one who was coming to visit him, and who was suspected of waiting for dead men's shoes: 'If I'm alive I'll be glad to see him: if I am dead, he'll be glad to see me.'"

This is one of a dozen jests of the period—even George III. made one of them—concerning George Selwyn's morbid passion for seeing dead bodies. Selwyn was credited with going across to France to see the execution of Damiens, a weak-minded young man, who, after other cruelties was torn to pieces by horses for attempting the life of Louis XV. One of the fine ladies present exclaimed: "Oh, the poor horses! How sorry I am for them!"

French is, of course, the language for wit, but English examples of a mordant sort have not been lacking of recent years, particularly from Charles Brookfield. Good things of the sort are, however, generally too biting to have a circulation in print. They give pleasure to those who know the victim, while they remind us of Selwyn's description of wit and humour as *de tous les dons de la nature celui qui est le plus dangereux et le moins utile*.

SYMPATHISERS.

THERE is too often the strangest difference between sympathy and sympathisers, nor has this cleft been ever so manifest as during the present ebb and flow of care and trouble. It is not formal sympathy that we mean, for formal sympathy, however stiff, is after all the courtesy of the emotions, a ceremonial call, as it were, by the heart on sorrow—which is by no means to be despised. Nor do we allude to mere awkwardness of expression. The average Briton never likes to wear his heart on his sleeve. Gesticulation is alien to him and a fluency of feeling is rarely his heritage. Indeed, it is a curious fact that we have no purely English word for sympathy at all and have been driven to denote it by Greek which the ancient Greeks never used. So the French, who are nothing if not "sympathetic," have no original word for "comfort" and have annexed the English one for what is above all an English speciality. Rather, we allude to that officious intrusion on grief which is the besetting sin of so many. There are ladies who seem to make almost a profession of perusing the obituaries of the fallen over the breakfast-table, and to take a sort of sad pleasure in hunting out acquaintanceships with people they have never known. "Poor young Jones—only twenty-one, I see. I am nearly sure that he must be the son—yes, John was the name—of that Mrs. Jones that we met in the hotel at Eastbourne last summer—Yes, I shall write to her."—"Robert, you remember hearing my second cousin speak of her great friend Mrs. Dun-Browne. You don't? Your memory was always bad."

Well, there is a Dun-Browne to-day among the missing. It must be the one—such an uncommon name—and I am nearly certain that he was an only child. I shall write to my cousin for the address and send a little line. It is always such a comfort to know that others are feeling with them." There is another type, too,—also a lady—whose heart is so wide that it embraces all mankind on every occasion. She is vaguely kind to be definitely cruel. Her long, countless letters and conversations form a kind of prose sympathology, and she is quite disappointed when these personally conducted tours into other people's agony miss fire. The slightest wound—even an ache—gives her an opportunity, but a death is as good as a feast. She will take no denial: she writes and sits for hours: if she can, she will hold your hand. Sorrow has but a poor time of it, for "There *She* and Sorrow sit." She tells you of all the tragedies that she has ever heard, copiously interlarded with the names of persons who are complete strangers to you. The tears stand in her eyes as she puts you on the rack. And should it turn out that your missing boy is alive, she seems very loath to share your glad certainty. It is a sort of hysterical habit often the vogue among old maids who will make pets of anything—even of disasters. And then there is the kind of clergyman who will push or edge his way into bereavement with hymns and leaflets and wrests Scripture to his conventional purpose and uses his Bible as if it were the Bådeker of Woe. We remember one of the more maudlin sort who even planted a clammy kiss on a father's forehead. There is no balm in such Gilead. The tortured silence is only lacerated afresh by practitioners like these.

The fact is that—with the best intentions—they are thinking far more of themselves than of you, luxuriating, like Sterne, in their sentimental journeys. Greater men than Sterne have done the same. "I am tenderly compassionate," sighs Montaigne in those essays which form a diary of his soul, "of others' afflictions, and should easily cry for company, if, upon any occasion whatever, I could cry at all. Nothing tempts my tears but tears, and not only those that are real and true, but whatever they are, either feigned or painted." "Nothing tempts my tears but tears," there we have it—the self-indulgence of a moralising sentimentalist, of the epicurean sympathiser. But there was also a Stoic fibre in Montaigne that immediately makes him part way from the æsthetic Sterne of the future. "I do not," he continues, "much lament the dead, and should envy them rather: but I very much lament the dying. The savages do not so much offend me in roasting and eating the bodies of the dead, as they do who torment and persecute the living." Those who pamper themselves by superfluous "sympathy" are surely, however unconsciously, persecutors of this description. They resemble those authors who, under the pretence of giving you a pleasure insist perpetually on reading their own compositions aloud.

The sententious consoler of the eighteenth century who, curiously enough in the isolation of country life, really seems to have lightened burdens, has well-nigh gone out. Sufferers no longer find solace in tags from Cicero or snippets of Seneca. But maxims which are platitudes have not died. It is human nature. When one does not feel as deeply as one would wish, a refuge is taken in assuring the stricken that Time and Faith have healing in their wings, that heroes cut down in their prime have escaped the withering march and corrosion of events, dangers, and temptations, that the sacrifice to a great cause must obliterate the sense of personal desolation; in a word, that the end takes all meaning from the means.

There are those who require and those who even resent sympathy. Much more loveable, nay much more fortunate are the former, for, in the words of Bacon, "There is no man . . . that imparteth his griefs to his friend but he grieveth the less, . . . for in bodies union strengtheneth and cherisheth any natural action, and, on the other side weakeneth and dulbeth any violent impression—and even so it is of minds."

Here, surely, Bacon hits the mark. It is the martyr who must first "impart his griefs"; sympathy must be thrust on no one. Just as the audience makes the orator or actor, so the sufferer creates the sympathy by claiming it. Otherwise how much more sympathetic at supreme moments is the unexacting sympathy of books and music and pictures, of gardens and hills and forests. For sympathy is more than a part of friendship, it is a province of love, and if the love that makes the world go round without ruling or boring it be absent, it must then be sought in the exhaled, the unisistent, influences of art and nature. In the midst of bitter grief, under the shock that stuns though not into forgetfulness, the tenderness of sounds and shapes, the solemn suggestions of lights and shadows, harmonise us with the eternal and reconcile us to ourselves more than all those professional prophets who "bid us do some great thing."

There are artists in sympathy, men and women who without the depth and passion of shared catastrophe, own a tact and grace of natural simulation. All honour to them, even though their power is born more of tact than of heart. They sustain and keep us by the right word and attitude: insensibly they take us out of ourselves as truly as does the tragedy of the theatre, "purifying our passions" by the realisation of fear and pity. It is their touch that soothes, their gentle consideration, at once chivalrous and worldly, their instinctive and intuitive good breeding that will often do more to help than can the most unselfish saint or the most austere æsthetic. St. Francis of Sales will comfort us more even than St. Thomas à Kempis. From acknowledged love no sympathy is demanded: it is there and immanent. But from everything short of intense affection the gentlest modulations are needed if sympathy is to avail. It is an art as fine as the arts specially so called. Virtue goes forth from it:—

"Heaven doth with us as we with torches do,
Not light them for themselves; for if our virtues
Did not go forth of us, 'twere all alike.
As if we had them not."

As for public sympathy, there are occasions when patriotism, dignity, example, honour demand it. But the gush of the modern newspaper, trading in advertisement and surfeiting on sensation, is horrible. It is often a ghoul devouring the corpses. Its snapshots of sorrow, its meretricious glare and falsetto feeling render the gloom and solitude even more intolerable. It is mechanical, metallic, reposeless, vulgar. For the Press as sympathiser a new word must be coined, and it is "Cinemapathy." Many years ago a Balliol man was ploughed in Greats for the following gibe. "Sympathy" was the subject of the English essay. Our friend took up his pen and wrote quickly: "Sympathy is human; but apathy is divine."

THE RELAPSE OF THE THEATRE.

OUR theatre has now definitely relapsed into the conditions which prevailed in the days before Gilbert and Sullivan had astonished and delighted the world by bringing contemporary comedy into relation with contemporary life. Four years of war have destroyed the work of a whole generation of playwrights and producers who tried to bring the theatre into touch with every-day interests and to qualify the English drama for a place among English intellectual pursuits. None of the new plays produced during the last fortnight has any relation to life. None of them is well written. Two only have about them any relish of wit and the plays we have in mind, except 'Marmaduke' at the Haymarket and 'Nurse Benson' at the Globe, are witty in situation only. All the new plays are founded on a conventional formula which could be worked out by a clever schoolboy who had studied the models. There is no sign in any of these plays that their authors have actually lived in a world of men and women, or that they have read or thought about anything outside their profession. The theatre, in fact, has definitely

returned to the ideals of a generation ago, when it lived exclusively upon its own resources. The theatre invariably returns to this condition if left to itself. Theatrical people are so interested in strictly theatrical matters—they are so absorbed in theatrical craft and, in the strict sense of the word, so “frightfully” devoted to the stock things which actors and actresses are all required to do or to know about—that if abandoned to their own devices for a season or so they will forget that any outside world exists at all. They would go on repeating the tricks of their immemorial repertoire to the day of judgment if it were not that every now and then a leisured public, which has had time to acquire some rudiments of common-sense, insists upon something fresher and more in touch with its normal interests. To-day there is no leisured public; and the theatre, having nobody to keep it up to the mark, has inevitably given up all pretence of having any real relation with things as they are. It has begun to repeat conventions which were exhausted in the time of Plautus.

Take as an instance the plays produced last week at the Haymarket, the Criterion and the Globe. ‘Marmaduke’ at the Haymarket is a comedy which relies for its fun upon a case of mistaken identity. The spurious Marmaduke of the play is exactly like the real Marmaduke; and, as he has entirely lost his memory, he does not even know that he is not the real Marmaduke. Here you have a play invented by Plautus, and embellished by Mr. Ernest Denny. It is a conventional exercise upon a given theme—in this instance a diverting and skilfully performed exercise within the limits accepted by the author. ‘You Never Know, Y’Know’ at the Criterion depends for 50 per cent. of its plot (you will never believe it), upon another variation of the same formula. In this instance the exercise is bungled and the results are tedious. A man who goes to a disreputable café in Paris is indistinguishable from the café waiter, whence arises a great deal of rushing hither and thither and a succession of boisterous interludes which are hardly calculated to excite anybody not on the stage. ‘Nurse Benson’ at the Globe (you will not believe this at all), depends for 90 per cent. of its matter upon the counterfeiting of one person by another in circumstances which allow the author to introduce most of the jests and complications associated with the formula which has already served the turn of two other authors in the same week. Miss Marie Löhr as a counterfeit nurse fills the shoes of a real nurse. Therein she talks about herself as though she were somebody else and in other ways plays with the sous-entendre and the double-entendre according to prescriptions as old as the theatre itself. If the unsophisticated playgoer is surprised to find three theatres in the same week all producing plays on the same theme let him reflect a moment upon what is bound to happen when the theatre is allowed to enjoy itself in its own peculiar fashion with no disturbing intrusions or suggestions from outside. If a dramatist is not competent to deal with life, and if he is not sufficiently interested in literature to make a thing worth saying by his manner of saying it, he necessarily falls back upon stage convention. The number of theatrical conventions of tried virtue is strictly limited. There are probably not more than a dozen at the outside. The chance that two authors will hit upon the same formula in the same week is not remote, and, if the formula in question is one of the easiest of all of them to handle, there is at least a sporting chance that three authors may hit upon it in as many days.

The triple event we are discussing could not happen if the theatre were alive like a human being, but the theatre has become to-day a mechanical toy capable only of set movements. There is only one remedy for the lack of variety here so signally displayed, and it is not a remedy which for the moment seems possible of application. The theatre must again be rescued from itself. Whether the poets rescue it (as in Elizabeth’s time,) or the wits (as in Charles II.’s time), or the novelists and critics (as in the time of Mr. Bernard Shaw and Mr. Arnold Bennett), must depend

upon circumstances; but the rescue will have to be effected, as all these previous rescues were effected, by a forcible irruption into the theatre of unprofessional and high-spirited amateurs contemptuous of all that most keenly delights the heart of the mere theatrical practitioner. At present there is no energy to spare for the enterprise. The public has no time to insist upon it, and the men who might be the executors of this same public’s desire are otherwise employed. The theatre must accordingly be left to enjoy itself in its own curious way, and it is having the time of its life. All the old properties may now be brought forth from storage; all the old plays may be rewritten; all the old situations may be refurbished. The actor is released from any regard or respect for producers with ideas of their own about plays quite unconnected with the green room, or from authors with all sorts of queer interests outside the playhouse. He is free to restore all the old devices immemorially associated with the rights and privileges of “playing lead” (such, for example, as filling a double role in a single play). The public will not protest; and, if it does, the theatrical people have only to libel our soldiers at the front by assuring us that they want the theatre to be exactly so, and not otherwise, and the public will relapse at once into an indifferent silence.

But the restoration is bound to come. An intellectual or æsthetic institution which tries to be exclusively self-supporting sooner or later finds that the nourishment grows thin. To put it in another way, inbreeding weakens the stock. Some day, possibly quite soon, the theatre will feel the need of the physician, and even if it fails to feel any such need of its own prompting the intelligent public will eventually give it to understand that, despite the grease-paint, seediness is written large upon its countenance. Who will be the physician and what will be the result of his ministrations is hard to predict. “You never know, y’know,” as they say at the Criterion.

AUX IRLANDAIS RECALCITRANTS.

Restez chez vous, à manger et à boire,
Pour vous distraire tirant à votre gré
Sur le voisin, rencontré à la foire,
Lorsque par l’Anglais il n’est pas protégé.

Paris attend le jour de la victoire—
Jour par votre défaillance éloigné—
Dorénavant la France ne saurait croire
Que Fontenoy fut par vos pères gagné.

MAURICE DE SAXE.

CORRESPONDENCE.

THE CO-OPERATIVE SCANDAL.

To the Editor of THE SATURDAY REVIEW.

SIR,—Your correspondent “C. J.” writes as if the reference in my letter on 15th June to the Co-operative Wholesale Society and the returns of 6d. per £1 expended on purchases was an official pronouncement. I desire to point out that I am merely a member of the St. Cuthbert’s Association, and, I may add, of very little value to it in that capacity. There is always a large amount of ignorance afloat in the world.

A correspondent a fortnight ago was seen to be ignorant of the conditions under which income tax was levied, and now we have “J. C.” last week showing that he does not know that the C.W.S., like others, is obliged to have its financial reports certified by fully qualified accountants. Amongst the Commanders of the British Empire Order there appears, I observe, the name of a chartered accountant, who is one of the auditors of the Scottish C. W. Society.

A representative trader who writes in last week’s issue appears to be unaware that Mr. Clynes, the able, popular and impartial representative of the Food Controller in the House of Commons, recently stated that

the changes contemplated would place meat and tea on the same basis in the sense that the quantity supplied would correspond to the number of customers registered. This statement accounts, doubtless, for the instruction to the Tea Committee from the Food Controller's office that the supply of tea to the C.W.S. should be 50 per cent. more than the quantity allowed to any other retailer.

I am,

No. 18,358, St. Cuthbert's Co-operative Association, Edinburgh.

24th June, 1918.

STRONG GOVERNMENT OR NATIONALITY?

To the Editor of the SATURDAY REVIEW.

SIR,—“The cause which moveth a man to become subject to another is the fear of not otherwise preserving himself,” says Hobbes, and we think this is a grateful explanation of the power of cohesion which has made the peoples of Austria-Hungary—in the past—to hold together. Fearing the yoke of the Turk they submitted themselves to that of their masters, Germans and Magyars, who took the full advantages of this state of things to suppress their national tendencies. But the revolts which at many occasions endangered the existence of the Dual Monarchy are nothing more than manifestations of the “nationality” in its efforts towards freedom. During the war Austria-Hungary has held together not by a miracle—as you write—but by the strong hand of Prussian militarism who raised the maxim *inter arma silent leges* as the highest principle of State philosophy. After the fall of Lemberg and Przmyśl in the hands of Russians the collapse of Austria-Hungary were complete without the support of the Germans. Your statements: “The Austrian Empire is held together by the centralizing force of commercial interest,” and “Cash is a consolidating, race is a dissolvent force,” bring us in the plain field of “mercantilism.” Now the great war has proved that all the nations of the world are bound by commercial interest and confirms once more what Dudley North said long ago: “The world as to trade is but as one nation, and nations are but as persons.”

But we do not think that the peoples of the world, because of their commercial interests, would be melted down in an ocean of human beings, deprived of their national idiosyncrasy and race particularity and having no tendencies of “self-realisation.” Even the powerful German State owes its moral cohesion to the force of race. *Deutschland ueber alles* is the expression of a made nationalism. Therefore we believe that now, when even the very remote peoples from every corner of the world awake and ask for the right to live their own life, a modern State cannot be based except upon the consolidating force of nationality.

The collapse of Russia has very little to do with nationality, and Roumania, Serbia (even Belgium) have fallen, not by lack of race cohesion, but because they were “small nationalities.”

The new age awakened by the great war has to bring harmony among the nations of the world and to raise liberty upon the highest throne.

I am, sir, your faithful servant,

D. N. CIOTORI.

46, Stanhope Gardens, S.W.

MILITARISM, SOCIALISM AND LAISSEZ FAIRE.

To the Editor of the SATURDAY REVIEW

SIR,—A friend suggests that I cannot be serious in my advocacy of Free Trade and Laissez faire as a check to those national antipathies which begin by demanding armaments and end by provoking wars—he evidently considers my proposal hopelessly reactionary.

Well, desperate diseases demand desperate remedies, and the condition of this country at the present time is so serious that one may surely be excused for thinking that the only certain way of fighting both militarism and Socialism is by a return to that policy of

Individualism which, accepted in the main for fifty years by both the great political parties, was a considerable factor in the accumulation of the wealth which has enabled us to bear the burden of the present war.

In the first place, although there is in this country a vast amount of Conservative feeling, we have no official Conservative leaders—Mr. Law being confessedly an opportunist, while Mr. Balfour is certain of nothing except his own doubts. In the second place, we have for the first time in English history, as Mr. Frederick Harrison has pointed out, a party avowedly concerned with the interests of one class, and one class only, the class of manual workers.

The systematic, undeviating selfishness of the Labour Party and the unvarying success which has attended it so far, is indeed, the outstanding feature of latter-day politics, and explains some things which would be otherwise inexplicable. Thus the passing of the Franchise Bill—the most controversial measure ever introduced into Parliament and therefore a direct breach of the Party truce—was due to the activities of the Labour leaders, and the gross waste of public money is due to the same cause, the idea being that, if you can establish an artificially high rate of wages under cover of the war, you will be able to insist upon its continuance afterwards.

You cannot, as an acquaintance of mine used to say, fight Socialism by bits of itself—that is, by tentative measures of social amelioration brought in at random in order to buy votes. Things have moved rapidly of late, and the time has now come when we have to decide either to accept Socialism or to fight it. As a Conservative by conviction, I am all in favour of the latter course, but submit that, if we cannot screw up our courage to sticking point, then the next best thing is unconditional surrender and a complete acceptance of the Socialist programme. Anything would be better than the policy of Socialism by penny numbers and the sacrifice of first one interest, say the landlords, and then of another, say the colliery owners, in order to stave off the final day of reckoning.

In conclusion, at the end of the war we shall be faced with a war debt of £8,000,000,000, involving an annual payment in interest of, say, £450,000,000, with a pension list of £150,000,000, and with a vast crowd of wounded men and wives and widows who have lost the habit of work. In addition to this we are threatened with a reconstruction of industrial and agricultural life involving a further expenditure of two or three thousand millions, and the question is, Can we survive?

Yours faithfully,

C. F. RYDER.

Scarcroft, near Leeds.

THE LUXURY TAX.

To the Editor of the SATURDAY REVIEW.

SIR,—It is somewhat surprising that so little comment has been made in the Press on the proposed Luxury Tax Bill. It may be due to apathy on the part of those interested; to a desire not to embarrass the Government in raising funds for the prosecution of the war, or it may perhaps be due to a disinclination of the press from political motives to appear unpatriotic. Nevertheless, although every true Briton is willing to give his life and his last penny in order to vanquish the Hun, he expects that provision will be made so far as possible to perpetuate the traditions and prosperity of the future generations of his race.

The Luxury Tax Bill is destined to destroy the very foundations of our past commercial traditions and prosperity.

It is understood that a deputation of members serving on the Committees connected with the Bill have visited France and have reported that the French *Taxe sur les objets de Luxe*, on which our Luxury Tax is ostensibly founded, was working smoothly and efficiently. Whether that be the case or not, there is very great dissatisfaction not so much among the retailers upon whom the real working and collection of the tax

devolves (which in itself is a burden heavy enough to damn the tax in normal times) but among the manufacturers of the higher grades of those articles which appear in the various schedules of taxed items. Their very just complaint is that the first and second grade articles which they manufacture are invariably above the minimum price of exemption, and that the public are content temporarily to purchase third-class or shoddy and inferior items the cost of which comes below the schedule price.

Now if there be one thing upon which the British nation can pride itself, it is that we have been able hitherto to lead the world by producing the highest grades in every manufacture!

The Luxury Tax, if based on the French Tax, and we have every reason to believe it will be, will not only place a premium on the production of third, fourth to —x grades of manufactures, but effectually stamp out all existing high grades and all initiative to produce the more expensive and more highly finished article. It behoves therefore the manufacturers, who hitherto seem to have taken little interest in the Tax, inasmuch as they thought it affected not themselves but the retailers, to take more interest in the Bill than they have.

If my premises be correct, it follows that the incidence of the Luxury Tax will strike at the very products which have established Great Britain as the premier manufacturing nation of high grade articles.

There are many other aspects equally convincing that the tax will be subversive of communal interests which I shall be glad to bring forward in another letter, if you can give me the opportunity.

In the meantime may I be allowed to advocate a small flat universal rate of 2 1-12 or 4 1-6 per cent. i.e., 1/4d. or 3/4d. in the shilling on the amount of every retail transaction on all articles without any differentiation except rent, food, fuel, and articles already subject to excise? This could be easily applied by the retailer and collected from him easily by a *pro rata* tax upon his turnover. It might not perhaps sound sufficiently plausible to the professional politician, for it could not be hidden under the happy camouflage of a "Luxury" Tax, but the simplicity with which it could be worked is one of its greatest recommendations. It would render useless all schedules and differentiations with their concomitant irritations and ambiguities; it would make evasion much more difficult. Every Briton would contribute his quota according to his expenditure, and it would give the Chancellor of the Exchequer a large revenue.

I am, sir, yours truly,
Devonshire Club, S.W. E. H. D.

DOUBLE-GOERS.

To the Editor of the SATURDAY REVIEW.

SIR,—To the instances mentioned in your article the following pairs might be added: the two Samuel Johnsons, the earlier and less famous being Samuel Johnson the Whig, as Coleridge called him; the two eighteenth-century Dr. William Kings, who have been constantly confused (see Dictionary of National Biography); the two Dean Stanleys, the earlier of whom was the author of a book entitled 'The Faith and Practice of a Church of England Man' (1688); the two contemporary Thomas Carlyles, of whom the lesser was a dignitary of the Irvingite sect; and the two poets named James Thomson.

I am, sir,
Your obedient servant,
MEMOR.

REVIEWS.

INDIA PAST AND PRESENT.

India Under Experiment. By George M. Chesney. Murray. 5s. net.

The Expansion of British India. By G. Anderson and M. Subedar. Bell. 4s. 6d.

THE Indian Empire stands in no need of apologetics. Mistakes may have been made during the long history of our rule, deeds of violence even may have been committed, but on the balance the verdict falls to the side of acquittal, not with extenuating circumstances, but with the hearty praise due to righteous administration and a considerate foreign policy. Gibbon's age of the Antonines, the closest parallel, coincided with much provincial injustice and some frontier aggressions. But, as Mr. Chesney reminds us, in the worst of times, when the nabobs were shaking the pagoda-tree, the condition of the people of India was closely studied and actively improved. Bengal was given a just system of land revenue. Taking off his uniform, Sir Thomas Munro sat in his tent at Canara and examined the titles and registers of crowds of natives that he might understand the land tenure of an unknown country. Generations of revenue officers after him have spent their lives on work that has earned them but little fame, because it has been too intricate for general appreciation. Their reward has been a population of contented cultivators, who respect and very nearly come to love a Government which has secured them their right to the land they plough.

It is the Indian peasant, and not the competition wallah, who is, and should be, the chief and abiding care of the administration. As he is decidedly prolific and as the monsoon sometimes fails him, fixity of tenure is not enough, he must be protected in addition against the advent of famine. If left to themselves, the multitudes would simply fold their hands and die. The British official thrusts railways beforehand on these placid souls; he imposes irrigation works on them and stores grain, and, if famine does arrive, he starts relief funds and distributes them with infinite labour and patience. But the great defence against famine has been the rise in the standard of living among the people. In 1864 Sir Bartle Frere took occasion to review his experiences of some thirty years in the Bombay Presidency. When he was first connected with the land survey, he said, rarely more than two-thirds of the culturable soil in any district was under cultivation; frequently as much as two-thirds was waste. At the end of the period he believed it would be a difficult matter to find anywhere, in the Deccan area, a thousand unoccupied acres available for anyone wishing to take them up. And so, in the seventies, when famine did arrive, Lord Northbrook, Sir Richard Temple and Frere himself were able to meet it in a very different fashion from the old Company's officials, who were compelled to look on while a skeleton host was hunted down by packs of wolves and jackals. Famine returned no less than four times, either in a greater or less degree, between 1896 and 1910, and then it was triumphantly proved that the Indian population had risen above the danger line.

Confuted by the benefits which our rule has bestowed on some 230 millions of industrious ryots, the Sir Benjamin Backbites of the Indian Empire generally shift their ground. "Oh, yes," they grudgingly admit, "we will own that our domestic policy is just, if unsympathetic, but what about the annexations of Sind, Oudh and so forth?" As a corrective to Little India insincerities we can recommend the volume of

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Mr. Anderson and Mr. Subedar, the one Professor of History at Elphinstone College, Bombay, the other of Political Economy at the University of Calcutta, all the more because, as befits professors, they expose their consciences naked to the student world before they arrive at their conclusions. Thus they characterise the conquest of Sind as "of doubtful morality." The campaign was certainly an impetuous proceeding, but then Sir Charles Napier was a man who went forth to war with a toothbrush and two shirts by way of kit. None the less, he was able to show that the Amirs were plainly breaking faith and that, when they were asked to subscribe to a new treaty, they "bowed with their usual apparent compliance, but raised troops in all directions." That is the worst of primitive States, they are such impossible neighbours. Sooner or later they have to be absorbed, and the Sir John Gorst of the day dismisses them in a Senapatti speech. That same argument of necessity applies with equal force to Lord Dalhousie's annexations when considered in the bulk. In the case of Jhansi he may have been injudicious in ignoring the native right of adoption, and when the Mutiny broke out, the redoubtable Ranee did her best to pay off old scores. But in the crucial instance of Oudh there were the minutes of Lord William Bentinck and the Court of Directors to prove that the misgovernment of the King and his flatterers and fiddlers could not be permitted to endure. The natives, unhappily, preferred a tyranny consecrated by custom to a plan of governance that was new to them, and the delay in the disarming of Oudh made the upheaval inevitable.

The geographical limitations of India have long since brought to an end the policy of annexation, and the admirable loyalty of the native princes shows that they, like the ryots of the Presidencies, feel that their possessions are their own. Then why, as the *Saturday Review* has asked, why not leave it alone? "Reform," unfortunately, is in the air; "pledges" have been given, and on the heels of the Morley-Minto innovations (Oh, the Mill-like self-sufficiency of that Autobiography!) India is to be harried by a fresh batch of the Montagu-Chelmsford brand. Mr. Chesney explains the dangers of this leap from dark-

ness visible into the abyss with a cogency that should make W. S. Caine turn in his grave. There is, in the first place, no finality about such concessions; they invariably form the seed-bed of a fresh agitation, and that of a more anarchic kind. Secondly, those who will benefit will be a mere handful, the semi-Westernised product of the lecture-room, while all the non-vocal classes, the native merchants, who hate politics, the peasant-cultivators, who have never heard of them, and the rest will be filled with alarm. Above all, the electoral district, the vote and other contrivances which have inflicted our Outhwaites and Snowdens upon us cut deep into the primordial institution of caste. The British civil servant is given notice to quit by the Congress orators through a process of gradual extinction, though, conscious of their own inability to rule, they graciously permit the army to remain. As for the trading communities of Calcutta and Bombay, they count for but little now that, thanks to Viceregal sentimentality, the seat of government has been removed to Delhi. But they too cannot feel comfortable. It may be that the full measure of Mr. Chesney's anticipations will not be justified; he looks with a fixed eye on the dark side of things. None the less he knows what he is writing about.

S. J.-B.

The Life of Sophia Jex-Blake. By Margaret Todd, M.D. Macmillan. 18s. net.

THE insurgent women of the 'sixties and 'seventies were tremendous, though, unlike their successors, they refrained from burning down churches and hacking at masterpieces of art with hatchets. They preferred, in the phrase of Sophia Jex-Blake, to "thunder at the Colleges," and their severest critic must admit that they thundered to some purpose. For the spirit of revolt in them the narrowness of their upbringing was in many cases responsible, notably in that of S. J.-B., as her admiring biographer habitually styles her. Brought up in strict Evangelical principles, the child at the age of eleven or thereabouts set down a self-examination which her mother endorsed "very nice." Question I; "If you died this instant, what would become of you? And could you face death unflinchingly?" Answer: "I know not what would become of me, but I fear I should go to eternal torments. And do not think I could face death unflinchingly for this reason." Physical exercises were unknown; dancing forbidden; *Punch* was regarded as vulgar; the theatre and even the blameless entertainment of "the Wizard of the North" that "Professor" Anderson, whose name Matthew Arnold has preserved for us, as wicked debauches. The result was a thorough little rebel, always sinning and always repenting, whom neither governesses could control nor schoolmistresses retain in their staid establishments.

A rebel S. J.-B. remained to the end of her life, though her emancipation from Evangelicalism was early and complete. The affection of her worthy parents supplied her with an allowance which was devoted to objects that must have filled them with puzzled apprehension. She went to Queen's College, Harley Street, and was soon consigned through her unruly tongue to bachelor lodgings. Nevertheless she became a tutor, her father's old-fashioned scruples compelling her to resign the fees, which he considered "beneath" her. Then, like Rogero and Lord Haldane, she invaded Göttingen, but, failing to find a spiritual home there, she accepted a temporary post at the Grand Ducal Institute, Mannheim. Next came a jaunt to the United States, to study educational systems, and there at last she found her vocation under the judicious guidance of Dr. Lucy Sewall at Boston and Dr. Elizabeth Blackwell in New York. But for years hers was a rudderless career, veering from an ambition to teach, and even to direct a projected ladies college at Manchester, towards preaching, apparently as a Unitarian, a Dr. Martineau in petticoats.

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All this meant not so much that Sophia Jex-Blake was naturally unstable, as that the Middle-Victorian age, which we have come to regard as a dull millpond, was really seething with conflicting "causes" and "movements." And pioneers often begin with some preliminary beach-combing before they start on their inland quest. At any rate, after S. J.-B. had decided on wringing a medical degree from reluctant Edinburgh, her concentration of will was indomitable. A man would have been beaten; he would have bored his supporters; it would have been "Here comes Stuart and his eternal Poles!" over again. But S. J.-B. never bored Professor Masson and her other advocates, though she must frequently have irritated them. She canvassed, she wrote articles in the *Scotsman*, she made speeches and speeches of some eloquence, and, when British precedents failed her, she had the records of Italian Universities ransacked. What is more, the Lord Ordinary was of opinion that, the Universities of Scotland having been founded to a great extent on the model of Bologna and women having been admitted there and elsewhere in Italy, it followed that the Scottish founders could have had no original intention of excluding them. That was a great point gained, and, as the contest went on, S. J.-B. added to Lincoln's Inn subtlety the talents of an entrepreneur in organising extra-mural lectures and other devices to defeat professorial obstruction.

The fact is that underneath her turbulence and eccentricity Sophia Jex-Blake kept a reserve of keen common-sense. "I am quite sure," she wrote to Sir Thomas Barlow, "it [the general question of lady doctors] would have your support from at any rate one point of view, if you had the least idea of the amount of preventible suffering which women bear with rather than consult men in special cases." The tone was not conciliatory; it came, indeed, dangerously near impudence. But her case was essentially sound, and she never lost sight of it. Yet the hesitations of Edinburgh were intelligible enough; mixed classes and the admission of women to lectures on anatomy must be questions of great moment to any teaching body. The professorial antipathy behind the University was another matter, and the Lord Ordinary unquestionably put his finger on the actuating motive when he declared that, if the ladies had been content to study as mere amateurs, no question would have been raised, but their demand for degrees and the announcement of their intention to practice as physicians had aroused a jealousy which he was obliged to characterise as unworthy. So much the public instinctively perceived, and with its sympathies enlisted on S. J.-B.'s side, even her blunders did her no real harm. When she countered the "ragging" of the female students outside Surgeons Hall by the Bob Sawyers of the day in a speech accusing Christison's class assistant of intoxication, "as she was told," the upshot was a farthing damages for the plaintiff, the payment of her costs by admirers and a glorious advertisement. And when she retaliated on her examiners who had "ploughed" her for her degree, greatly to the joy of the ribald, by accusing them of unfairness, the wise grieved, but the unreflecting soon forgot.

Nature had created Sophia Jex-Blake to animate a cause, but there was a touch of personal futility about her. We gather that her overbearing manners militated against her success as a doctor in Edinburgh, and her school of medicine for women there failed to weather storms which were largely blown up by herself. Even the London School of Medicine for Women, her creation, found it necessary to set her aside as honorary secretary in favour of Mrs. Thorne. She must have been a most difficult colleague, and Dr. Todd's pages indicate that her relations with Mrs. Garrett Anderson, Mrs. Butler (the formidable Josephine) and other militants were not always harmonious. Still she inspired the young, as her biographer's ingenuous narrative also proves, particularly during the mellowing years of retirement at Windydene, Sussex. And even those who dislike that

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type of women must respect the undeviating courage with which she met the rebuffs of her life. The rupture of her early friendship with Miss Octavia Hill cut her to the heart's core, but she accepted the defeat with dignity. We will leave Dr. Todd to tell the story, since it suits her effusive style uncommonly well. But Dr. Thomas Jex-Blake, the well-known headmaster and dean, perplexes us a little. We have carefully read his letters to his wayward sister, ponderous, but generous in their offers of help, and sensible in their advice, when he had hold of the right end of the stick, which was not always the case. Yet after all this doubt keeps obtruding itself, what did he really think of Sophia Jex-Blake?

WHERE EAST MEETS WEST.

Oriental Encounters—Palestine and Syria (1894-5-6). By Marmaduke Pickthall. Collins. 6s. net.

MR. PICKTHALL'S name is by no means unknown to students and lovers of the Near East. In fact, it should be familiar to them, for he is one of a small body of Englishmen who have in recent years made that region their home, also of the still smaller body who know how to convey some of the glamour which Moslem lands, especially those of the Eastern Mediterranean, exercise over them. It is now more than twenty years since Mr. Pickthall, then little more than a boy, paid his first visit to Palestine and Syria. He had the good fortune—excellent fortune for his future readers—to gain admission into native circles, to be accepted by them whole-heartedly and to be given the opportunity of which he made excellent use of acting as their interpreter, as the guide to the native psychology for the English-reading public. Mr. Pickthall lived among the natives of Palestine almost as one of themselves and he was accepted by them as one of their distinguished friends and honoured advisers. An entire year he spent as a semi-Druse among the Druses of Mount Lebanon, all the time studying diligently the native conditions. As he is by profession a novelist, most of his published writings bear the form of fiction, but fiction may be none the less the truth in essence despite its form. This is specially true of Mr. Pickthall's latest book, a volume of sketches, half fiction, half fact, but wholly fact in the living picture it draws of life and thought and outlook on life on the part of the people of whom he writes and whom he knows so thoroughly. The sketches are slight: the book is a volume of light reading, light reading that is delightfully amusing and none the less instructive on that account. It gives an insight into the native character which more ponderous and pretentious volumes vainly attempt to impart. Mr. Pickthall sets out not to teach, but to amuse; yet the reader, when he finishes this all too brief book, will have acquired information as well as amusement. Politicians and publicists interested in Moslem lands and the Turkish dominions in particular might well read the book for many of the hints it contains. For instance, Mr. Pickthall tells us that it was in Palestine that he first met happy people. "Poor they might be, but they had no dream of wealth; the very thought of competition was unknown to them. People complained that they were badly governed, which merely meant that they were left to their devices save on great occasions. A government which touches every individual and interferes with him to some extent in daily life, though much esteemed by Europeans, seems intolerable to the Oriental. I had a vision of the tortured peoples of the earth, impelled by their own misery to desolate the happy peoples, a vision which grew clearer in the after years." We suggest to Mr. Pickthall that 'Oriental Encounters' should be considered as merely a specimen, and that he should hasten to delight his expectant readers with further instalments from the entrancing records of his life in the East.



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OUR LIBRARY TABLE.

The portion of the Huth Library to be sold by Messrs. Sotheby in the first nine days of July includes by the chance of the alphabet comparatively few manuscripts: the most important being a 15th century *Sachsenspiegel* with illuminations and borders, and the English *Speculum Humane Salvationis* which Mr. Huth published in a small edition. Autograph collectors will be interested in Segar's *Album Amicorum* with over two hundred signatures including those of Raleigh, Ben Jonson, and James I. There are a few fine bindings and a perfect Caxton, but the most striking item from a literary point of view is a corrected proof-sheet of the First Folio Shakespeare, giving an idea of the value to be set on the text. There are a great number of *Rappresentazione*, and Spanish Romances, a number of original Hans Sach and Savonarola tracts, a first-class selection of early editions of Spenser, Skelton, Sidney, Shirley and others. There are a quite unusual number of books—for example, Stubbes's *Gaping Gulf*—of which only historical students have heard, which will create keen competition among American buyers.

FICTION IN BRIEF.

'Hira Sing's Tale,' by Talbot Mundy (Cassell, 6s. net), is the story of a Sikh regiment which was brought over in the early days of the war, and took part in one of the few cavalry charges of the time. It was afterwards dismounted, and, finally, a large detachment was captured by the Germans, all its English officers being killed, and its native commander being distrusted by his men. The survivors escape, and then begins a recital, which we hesitate to say is as interesting as the 'Anabasis,' because all the life has been taken out of that by its use as a schoolbook, full of life and spirit and hairbreadth adventure with death. It is a first-class fighting story of the old kind, with nothing of the pain that so many war books give. We predict for it a great success.

'Thumb Nails,' by Mrs. Henry Dudeney (Mills & Boon, 5s. net), is a collection of eight short stories slight in character and treatment, the longest, 'The Rich Young Man,' being letters written (but destroyed) by a middle-aged lady to an airman whose portrait she had seen in the newspapers. Round these a little romance is indicated with a happy ending. Without any claim to rank with the author's best work, these stories will be welcome to fill an idle hour.

'Front Lines,' by Boyd Cable (Murray, 6s. net), is a further collection of this author's inimitable short stories. Men who have actually been in the trenches assure us that of all the writers whom the war has brought to the forefront, Boyd Cable gives the best picture of the life and thought of the fighting men. The book needs no higher praise.

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 Our Allies and Enemies in the Far East (Jean Victor Bates). Chapman & Hall. 10s. 6d. net.
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THE TWELFTH ANNUAL ORDINARY GENERAL MEETING of the Kapar Para Rubber Estates Company, Ltd., was held on June 24th at the London Chamber of Commerce, Oxford Street, Cannon Street, E.C., Mr. A. A. Baumann, chairman of the company, presiding.

The representatives of the Secretaries (Messrs. Wm. Nevett & Co.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—You will see by the report and accounts, which have been in your hands for the past week, that the proceeds of the rubber sales, including stock on hand, amount to £109,781 odd; the crop expenditure, including depreciation, is £35,477, and, after paying the directors' fees and the administration and office expenses, we are left with a balance of £74,304 odd, to which has to be added the amount brought forward from last year—namely, £15,152, making a total of £89,456 in round figures. We have already paid you two interim dividends of 15 per cent., less income tax, and we have, therefore, to dispose of to-day a balance of £66,258, which we recommend you to deal with in the following manner:—We propose to pay a final dividend of 40 per cent., less income tax, making a total of 70 per cent. for the year, which will absorb £30,000; we propose to place to reserve a sum of £10,000, and to carry forward to next year £26,258 odd. The crop of rubber secured for the year was 1,077,213 lbs., against an estimate of 954,000 lbs., and compared with last year's output of 820,179 lbs. When I say last year I mean 1916. The f.o.b. cost was 7.90d. per lb., as compared with 8.11d. for 1916, and the all-in cost was 1s. 0.19d., compared with 10.91d. for 1916. The gross average price realised, including the estimated value of the unsold portion, was 2s. 4.10d., London landed terms, compared with 2s. 7.54d. obtained for the 1916 crop. The capital expenditure was £1,590 odd, and the total capital cost now stands in the balance sheet at £145,679, after allowing for depreciation.

THE OUTLOOK.

The current year's crop was estimated at 1,096,700 lbs., but, as you know, with regard to the coming year we have great difficulties to contend with, and we have a very uncertain and anxious future. The United States, which is by far the largest rubber consumer in the world, has cut down its imports by nearly 50 per cent., so that instead of taking about 160,000 tons, as they did in 1917, it is estimated that they will not take much more than 100,000 tons this year. In addition to limiting their imports of raw rubber, the United States, as you know, has just announced that all imports of manufactured rubber goods are to be prohibited. Of course this makes a restriction of the output of our Eastern plantations a matter of absolute necessity. How much of our output we shall be obliged to restrict is a fact which I cannot, I am afraid, give you to-day. The Rubber Growers' Association attempted a short time ago to get the companies to agree to a voluntary restriction of their output by 20 per cent. all round. Those attempts have not been successful, for the simple reason that the Rubber Growers' Association failed to get a sufficiently large proportion of the plantation companies to come into their scheme, and it must be obvious that if a large proportion of the estates stand out those who come in will be punished, and will lose money, through the selfishness of others. Whether the Rubber Growers' Association are still proceeding with their policy, to which we, by the way, agreed, I do not know. I read in the papers that committees of the Rubber Growers' Association are interviewing Ministers, but what they are saying to the Ministers and what the Ministers are saying to them is a matter that is locked within the secret council of the Rubber Growers' Association. Some five years ago you may remember that I and several other gentlemen attempted to create a central selling agency which might deal with the importation and marketing of rubber. That policy was defeated owing to the opposition of the council of the Rubber Growers' Association, of two or three large firms of merchants in London and one very large Ceylon rubber company. Whether the proposal of a central selling agency, which I then suggested, would, if it had been adopted, have been effective at the present time in keeping the market within the limit I really cannot say. We certainly could not have been more unsuccessful than the Rubber Growers' Association has been in that direction. The real truth is that, of course, it is almost impossible effectively to control the concerns of 400 rubber plantation companies in the East, and I do not know whether any human agency could succeed in doing it.

SUGGESTED STATE CONTROL.

It has been suggested that the Government should take control of our industry, and I have heard the ill-omened words "Rubber controller" mentioned. I sincerely hope that no such official will be appointed (Hear, hear.) I think we have had quite enough of officialism. The force of events will compel the various rubber companies to restrict their output. If they do not, there

will be an enormous surplusage of raw material which will be unsaleable, and business men of common sense will be obliged to restrict their crop; but some of the companies—the younger companies with smaller capital—will, I am afraid, find great difficulty in carrying on their affairs, and the companies which will be triumphant, so to speak—if anyone wishes to triumph over the distresses of his neighbour—the companies that will do best will be companies like our own, whose cash position is extremely strong. I do not know that we should have recommended you such a large dividend this year if we had not carefully considered and found that our cash position was unassailable. If you look at the assets side of the balance sheet you will find that our rubber in stock, part estimated, is £72,180, that our investments in War Loan are £30,583, and that our cash at bank and in hand is £15,983. I think you will agree with me that is an extremely strong cash position, and I have made a rough calculation that if we do not sell a pound of rubber in the next two years we should still be able to finance and carry on our estate. (Applause.) I think there are very few companies that could say that. Now, gentlemen, I beg to move: "That the report and accounts for the year ended 31st December, 1917, be and they are hereby adopted; that a final dividend of 40 per cent., less income tax, making a total of 70 per cent. for the year, be declared payable; that £10,000 be added to reserve, and that £26,258 be carried forward to next year"; and I will ask Mr. Nevett to second the resolution.

Mr. William Nevett seconded the resolution.

SHAREHOLDERS' COMMENTS.

Mr. W. J. Burridge said, with all due respect, that the Chairman had given rather a gloomy view of the future, although it seemed to him that they were paying their way and doing well. He desired considerably more information in the accounts.

Mr. G. L. Moore said he did not sympathise in the least degree with the remarks just made by a shareholder. On the contrary, he rose to congratulate the directors on the courage they had shown in maintaining the dividend of last year and to express his own and, he believed, the opinion of the great body of shareholders that the directors would never have declared so large a final dividend if they had not seen a clear way to do so. Far from being pessimistic, he thought the Chairman's speech most optimistic as far as this company was concerned. The Chairman would be wrong if he did not give a fair and accurate explanation of the position. The outlook for rubber was bad owing to causes over which the directors of companies had no control. Questions of freight and United States imports very largely controlled the position. He had the utmost confidence in the Board, and if they could achieve like results next year he was sure they would do it. If they did not it would be because it could not be done. He for one would support the board to the utmost.

The Chairman observed that it would be perfectly impossible to give all the details asked for.

The resolution was carried unanimously.

On the motion of the Chairman, seconded by Mr. R. W. Harrison, Mr. William Nevett was re-elected a member of the board.

The auditors, Messrs. P. D. Leake & Co., were reappointed for the ensuing year.

Mr. H. B. Yuille congratulated the board on the results achieved during the year. In spite of all difficulties they had earned a profit nearly equal to the paid-up capital. These results had been achieved at an absurdly low price, the directors' fees only amounting to £700 and the office expenses to only £1,233. He moved that the remuneration of the directors be increased from £700 to £1,000 per annum.

Mr. W. C. Elder seconded the resolution, which was unanimously adopted, and the proceedings terminated with a vote of thanks to the chairman, directors and staff.

NEW EGYPTIAN.

THE PROSPERITY OF EGYPT—A 6½ PER CENT. DIVIDEND.

THE ANNUAL GENERAL MEETING of the shareholders of the New Egyptian Company, Ltd., was held at Winchester House, Old Broad Street, E.C., Mr. Arthur A. Baumann (chairman of the company) presiding.

The London Manager and Secretary (Mr. Thomas Day) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—I congratulate the shareholders upon the very substantial improvement in the financial position of this company since our last annual meeting. Indeed, since I first took the chair, some six years ago, I have not been able to present a better balance-sheet than that which we lay before you to-day. As there are a great many shareholders who are warrant shareholders, and, therefore, have not received the report and accounts, I will, with your permission, go through the main points as summarily as I can. Our total assets, taken at or under cost, amount to £749,069 odd, while our liabilities amount

ESTABLISHED IN 1887

CORRESPONDENCE
INVITEDHARDEN BROS. & LINDSAY
(LIMITED)

Specialists in Tea and Rubber Shares

23, ROOD LANE, LONDON, E.C.3

TELEPHONES:—

AVENUE

485, 4084, 2662.

TELEGRAMS:—

"INFUSORY-GRACE, LONDON"

to £642,584 odd, thus showing an excess of assets over liabilities of £106,484, which is equal to 4s. 9d. per share. This excess of assets is represented by reserve for profits on sales of land not yet in cash, £19,284; capital reserve; £40,398; and profit and loss account, £46,801. Our agricultural land appears at £404,599 for 7,988 feddans, which is equal to £50 12s. 11d. per feddan. The increase in the investments from £973 to £9,048 is accounted for by the purchase of £8,500 Five per Cent. War Loan, and since the close of the financial year, on the 31st December last, we have purchased from the trustees for the debenture holders their holding of £11,500, making £20,000 held at date. It will be seen that our cash at the bank appears at the satisfactory figure of £103,723, which compares with £24,130 last year, and £9,240 the previous year.

DEBENTURES CANCELLED.

Turning to the debit side of the balance-sheet, we have purchased and cancelled since the close of the financial year £25,000 debentures, thus reducing our debenture debt at date to £79,650 as compared with the original issue of £125,000. That, of course, does not appear in the accounts, as the transaction took place after the close of the financial year, but I tell you it for your information. Another important reduction of our indebtedness is the decrease of £12,679 in our loans on our Lower Egypt properties, and since the 31st December last we have paid off a further £20,823, thus reducing our loans at date to £116,525. The other item which requires, perhaps, some explanation is caution money in respect of sales and leases, £56,026. This represents the cash received in respect of sales of land for which deeds had not been signed at the 31st December, and cash received on account of caution money and fees in respect of sales in course of negotiation, and deposits received in respect of 1918 leases. Well, gentlemen, the result of these accounts is this, that the profit, before charging debenture interest, amounts to £35,613, as compared with £15,021 last year. The net profit for the year, after charging debenture interest, amounts to £30,171, as compared with £9,607 in the previous year, and with the carry forward of £16,630 the balance to the credit of the profit and loss account amounts to £46,801, from which the directors recommend the payment of a dividend of 1s. per share, or 6½ per cent., less income tax at 5s. in the £, which will absorb £16,739, leaving a balance of £30,062. The net income derived from the company's estates, notwithstanding the sales of land, amounts to £23,390, as compared with £16,660 last year and £8,443 in the previous year, which is a very considerable advance.

SALES OF LAND.

With regard to the sales of land during the year, we sold 531 feddans at an average of £103, 10s. per feddan, and a further 916 feddans at an equally satisfactory price, or the more satisfactory price of £116 12s. 6d., but as the deeds were not signed on the 31st December the profit on this area has not been taken into the accounts. Thus you will see that we have a good deal to come into the current year. From the 1st January to the 30th April this year we have disposed of a further 210 feddans at an average of £143 5s., and the demand still continues. I think you will agree with me that this is a very good price to get for the land. The water supply has been, on the whole, remarkably good. This has been largely due to the excellent state of the river, but the better distribution by the irrigation service has had marked effect, and great credit is due to the Government in doing as much as possible in these difficult times, both as regards irrigation and drainage, to assist cultivators. You will see, gentlemen, from this report and the accounts that Egypt has been safe and prosperous during the war. The safety and prosperity of Egypt are due to three causes or factors. No doubt you have read among the items of Turkey's war aims the restitution of Egypt to the Sultan of Turkey. This is an aim which I do not think Turkey will realise, and that Egypt has been so safe and prosperous must be ascribed to the labours and to the prescient statesmanship of Lord Cromer, Lord Kitchener and Lord Milner. The second cause of the prosperity of Egypt is the extraordinary fertility of that green ribbon which runs through the desert of Egypt. A country which produces cotton, maize and sugar, and which may produce tobacco, is bound, in these days, to be of very great value to the world at large. We ought also, in common justice, to remember that much of this prosperity and of your profits is due to those engineers and financiers who made the great dam at Assouan. But neither a firm and good Government, nor fertile soil, would have filled your pockets had it not been for the great ability and energy of your managing director in Egypt, Mr. Soares, supported, as he has been throughout, by a cheerful, loyal and devoted staff, and we who sit here in London and direct things generally, manage the finances and draw the profits—when there are any—ought to record our sense of the services of the managing director in Egypt and his staff. (Hear, hear.) I now beg to move, gentlemen, "That the directors' report, together with the annexed statement of accounts duly audited, be received, approved and adopted, and that a dividend of 6½ per cent., or 1s. per share, less income tax of 5s., be paid." I will ask Mr. Dalglish to second the motion.

Mr. T. F. Dalglish: I have great pleasure in seconding that resolution.

The Chairman: Before putting the resolution to the meeting, if any shareholders have any questions or comments to make upon the report and balance-sheet, now is the opportunity.

There was no response and the Chairman formally put the motion, which was carried unanimously.

Sir Ernest Spencer (deputy-chairman): I have great pleasure in proposing the re-election as a director of your chairman, Mr. A. A. Baumann, who retires by rotation. It is not necessary, I

am sure, for me to add anything to that resolution, which was agreed for itself.

Mr. Edward Nathan seconded the motion.

Sir Westby B. Perceval, K.C.M.G., said he had great pleasure in proposing the re-election of Mr. Thomas F. Dalglish as member of the board of directors.

The Chairman seconded the motion, which was unanimously agreed to.

MANAGEMENT COMPLIMENTED.

Mr. Hacking: I have great pleasure in proposing that the auditors, Messrs. Cooper Brothers & Co., be re-elected at a rate of 100 guineas, and while I am on my feet I would like to compliment the management on the very satisfactory report. At the same time, I may say that, after being so long without a dividend, I thought possibly that, with such a good balance-sheet, we could have received rather a higher dividend, but I would not like for one moment to question the wisdom of the directors, or it may be that what they do not pay now they may be able to distribute at some other time. As the Chairman has very properly said, I feel that it is a long time since the finances of the company were in so good a condition as we find them to-day. I beg to move the re-election of the auditors.

Mr. Macleod seconded the motion.

The Chairman put the motion, which was carried unanimously. Mr. Hacking: I do not think we ought to separate without passing a vote of thanks to the Chairman and to the board generally, and I think it would be well if, from the body of the room, we included in that vote of thanks our appreciation of the services of the management, and particularly of the management of Egypt. (Hear, hear.) I will not elaborate upon those services inasmuch as the Chairman has already done so. I feel that we are well served, and I hope it will be a long time ere the services of our Chairman are lost to the company. I have great pleasure in moving this resolution.

Mr. Macleod seconded the Motion.

The Chairman: Gentlemen, on behalf of my colleagues I beg to express our appreciation of the vote of confidence and thanks which you have passed. It is quite true we might have paid you a bigger dividend, and our accounts would have justified it, but the money is there—it has not disappeared—and it will reappear, unless I am very much mistaken, in the shape of dividends, I hope, very soon.

The proceedings then terminated.

FORESTAL LAND TIMBER AND RAILWAYS.

FINANCIAL POSITION AND OUTLOOK.

THE ORDINARY GENERAL MEETING of the Forestal Land Timber and Railways Company, Ltd., was held on June 20th at the Royal Plate House, Finsbury Circus, E.C., the Hon. Sir Arthur Lawley, G.S.C.I. (the chairman) presiding.

The Chairman, in moving the adoption of the report, dealt with the figures appearing in the balance-sheet, and pointed out that the reserve funds of the company now amounted in total of £1,372,924, or 44 per cent. of the paid-up share capital. Freehold lands, plant, etc., stood at £4,454,904, or an increase of £18,090 over last year, due to sundry additions to buildings, plant, etc. Holdings in associated undertakings and other investments stood at £571,411. They were worth a great deal more. The livestock valuation of £454,152 was most conservative for a herd of approximately 105,000 animals, of which many were of a remarkably high quality. The company's resources in War Loans, Treasury bills and cash totalled £1,271,508. The financial position disclosed by the balance-sheet was stronger. (Applause.) The trading profit amounted to £1,148,509. Deducting London charges, interest on debentures and depreciation, there was left a balance of £822,395, or 27 per cent. on the issued share capital, before providing for extraordinary profits duty. The directors proposed to allocate to reserve excess profits duty, income-tax, etc., £200,000, to special reserve £150,000, to the preference shares £187,662, to the ordinary shares £284,733, and to pay a final dividend of 6 per cent. on the preference shares, making a 12 per cent. dividend for the year, and a final dividend of 12 per cent. on the ordinary shares, making 18 per cent. for the year. They carried forward £46,801 to the credit of the preference shareholders and £144,642 to the credit of the ordinary shareholders. The results of the year were eminently satisfactory considering the difficulties by which the company had been confronted.

With regard to the present and the future, as far as the timber section was concerned, not only could no improvement in the export of quebrach wood be foreseen, but further curtailment must be expected until the freight situation materially improved. The shortage of tonnage both inwards and outwards had, however, created a shortage of coal in the Argentine, and consequently an increasing demand for firewood. They had very considerably developed this branch of their industry. The pool arrangements had not been renewed for 1918. Prices had fallen further, but they had sold more extract for 1918 than for any year in the history of the company, and mostly direct to the Allied Governments. The element of uncertainty was reduced, the question of how much of the extract sold would be shipped. The directors hoped that in the course of the next few years they would be able to place the cattle business on a sound footing and derive therefrom sufficient profits to go a long way towards paying the service of their directors.

Baron Emile B. d'Erlanger, who seconded the motion, asked the shareholders to consider the dividends of 12 per cent. on preference shares and 18 per cent. on the ordinary shares as the company's normal dividends, and said he felt confident that the year 1918 they would earn those dividends.

After a brief discussion the report was adopted.

29 June 1918

ULU RANTAU RUBBER ESTATES. 40 PER CENT. DIVIDEND FOR THE YEAR.

THE ELEVENTH ANNUAL ORDINARY GENERAL MEETING of the shareholders of the Ulu Rantau Rubber Estates Company, Ltd., was held on June 24th at the London Chamber of Commerce, Oxford Court, Cannon Street, E.C., Mr. Arthur A. Baumann (the chairman) presiding.

The representative of the Secretaries (Messrs. William Nevett & Co.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Gentlemen,—The receipts by rubber sales, as you will see by the accounts, were £29,979. The crop expenditure and depreciation amounted to £12,166. Deducting also £206 for directors' fees and administration and office expenses, there are left with a final available balance of £17,447, to which must be added the amount brought forward from last year—namely, £8,442—giving a total of £25,889 to be disposed of to-day. We have already paid you two interim dividends, amounting to 20 per cent., and we now propose that we should pay you a final dividend of 20 per cent., less income tax, making 40 per cent. for the year; that we should add to the reserve account £4,000, and that we should carry forward £8,717. The quantity of rubber secured was 286,722 lbs., against an estimate of 280,000 lbs., and compared with an output of 268,869 lbs. in 1916. The L.O.B. cost of the crop was 9.67d. per lb., as against 9.48d. in 1916, and the "all-in" cost was 1s. 2.96d., compared with 1s. 1.16d. for the 1916 crop. The average gross price realised, including the estimated value of the unsold portion, was 2s. 5.09d. (London landed terms), compared with 2s. 7.43d. obtained for the 1916 crop. The labour force on the 31st December was stated to be 30 Tamils, 23 Malays and Javanese, and 133 Chinese. The health on the estate, which in the past has been a cause of some concern, continues to improve. The capital expenditure during the year was £1,076, and the capital cost of the company's property now stands in the balance-sheet at £51,056, after allowing for depreciation of buildings, plant and machinery.

RESTRICTION OF OUTPUT.

The current season's crop has been estimated at 280,000 lbs., and, as you probably know, the directors have agreed to restrict the output, in accordance with a proposal by the Rubber Growers' Association, to 80 per cent. of that for 1917, so that the quantity should be approximately 229,000 lbs. This estimate is a little uncertain, because it is quite clear that the restriction of output will have to go beyond the 20 per cent. to which we agreed, and which has been proposed by the Rubber Growers' Association. This restriction is due to shortage of shipping and the action of the American Government. It is not easy to say whether the demands of the United States may not increase. It is possible that the American Government may have overdone the restriction, but at present they have reduced their imports of raw rubber by nearly 50 per cent., and they have recently prohibited the import of manufactured rubber articles. How long these restrictions will last must depend, of course, upon the course of the war. There is only one thing in connection with the war which I think is good news, and which I think everybody interested in rubber will be pleased to hear, and that is that all the German chemists—who, in justice, it must be allowed, are some of the cleverest chemists in the world—have not succeeded in producing anything in the shape of synthetic rubber. You know that tremendous straits the Government of Germany has been put for anything in the nature of rubber, and all their chemists have failed to produce anything but a kind of mixture which is largely composed of old rubber. So hard up are the Germans for rubber that, as I read the other day in an official document, they have commandeered the cushions of the billiard tables. Some of you were alarmed some years ago, but the bugbear of synthetic rubber, at all events has been laid by the war. (Hear, hear.) Now let us beg to move:—"That the report and accounts for the year ended 31st December, 1917, be and they are hereby adopted; that the final dividend of 20 per cent., less income tax, making 40 per cent. for the year, less income tax, be paid on the issued capital of the company, that £4,000 be added to reserve account, and that £8,717 11s. 3d. be carried forward to next year."

Mr. William Nevett seconded the motion, which was carried unanimously.

Mr. R. W. Harrison proposed the re-election of Mr. Arthur A. Baumann as a director of the company, which was seconded by Mr. Nevett and unanimously agreed to; and on the proposition of Mr. Marston Buszard, K.C., seconded by Mr. J. A. Roberts, Messrs. P. D. Leake & Co. were reappointed auditors.

SERVICES OF DIRECTORS AND STAFF.

Mr. Roberts proposed a cordial vote of thanks to the Chairman and directors, as well as to the staff in the East, for their excellent management during the past year, which, he remarked, had produced such good results. He considered the company had now reached a stage in its development which warranted the placing of the directors' fees on a more liberal basis than heretofore. With a dividend of 40 per cent. and £4,000 carried to reserve, it was incumbent upon the shareholders to move in the matter—(Hear, hear)—and he, therefore, proposed, as an addition to the vote of thanks, that the directors' fees be increased from £350 per annum as from the 1st January, 1918.

Mr. G. O. Parsons seconded the proposition, observing that it was quite right that the shareholders should recognise the altered economic conditions and raise the fees of the directors to correspond more fittingly with the remuneration to which they were entitled under present circumstances.

The motion was unanimously adopted, and a brief acknowledgement having been made by the Chairman on behalf of both the directors and the staff, the proceedings terminated.

ANTOFAGASTA (CHILI) AND BOLIVIA RAILWAY.

INCREASED GROSS AND NET RECEIPTS.

THE ANNUAL GENERAL MEETING of the Antofagasta (Chili) and Bolivia Railway Company, Ltd., was held on June 26th, at Winchester House, E.C., under the presidency of the Hon. Charles N. Lawrence (the chairman of the company).

The London Manager and Secretary (Mr. A. W. Bolden) having read the notice and the auditors' report,

The Chairman said that he once again had the pleasure to announce that the gross receipts of the company had beaten all former records, the previous highest having been those of 1916. From the combined undertaking of their railway and waterworks the gross receipts for the year 1917 were £2,230,384, or £386,729 in excess of those of the previous year, but out of the £386,729 they had only secured £139,553 as increased profit, the ratio of working expenses to gross receipts having been 55.91 per cent., against 54.24 per cent. for the previous year. So far as nitrate tonnage carried was concerned, it was interesting, he thought, to remark that the company were 7,907 tons short of the previous year's total, the figures being 1,047,445 tons in 1917 and 1,055,352 tons in 1916. It was even more interesting to remark that of the total nitrate of soda exported from Chile last year the company carried over their own line and that of the Aguas Blancas Railway combined as nearly as possible 45 per cent. Minerals had also continued to do very well.

NET RESULTS OF THE YEAR'S WORKING.

Generally speaking, he thought that the net results of the year's working might be looked upon as satisfactory, taking all the difficult circumstances into account, but the financial results were by no means better than they should be, when bearing in mind that their traffic might be said to be of a mining character, and the future had to be regarded in the shape of providing for amortisation of prior charges at least. The nitrate and other companies which the company served worked, he believed, on that basis, and therefore they who carried those companies' products equally considered that the tariffs should be based not only upon a fair return on the capital invested in the business, but on an amount which should provide for the amortisation of that capital. He wished to emphasise that remark. It was true that, so far as the company were concerned, the directors hoped there were other fields of development, and they looked also to Bolivia; in fact, that was the reason why they went into the business of the Bolivia Railway Company; but all the same, he was convinced that his arguments were sound and equitable until they could see more clearly what the future had in store for them. The prosperity of the two countries in which the company operated, but especially in Chile, had grown considerably in the last eighteen months, and their trade balances must be very much in their favour. Exchange in both countries was high, and, while it was difficult to attempt any forecast, one was bound to feel that while present conditions continued they would be of benefit to those two countries. The company had made a net addition to the renewal funds in the past year of £98,807, and in building up that fund as they were doing the directors thought that the stockholders would be in entire agreement, because it would help the Board at the proper time to face the acquisition of new rolling stock and generally improve the line, to meet new developments which might arise, besides providing for any unascertained wear and tear of the company's property. The reserve fund got another £150,000, bringing it up to £1,400,000, and it was the directors' intention to invest just as much as they possibly could outside the business, in order to have cash resources to fall back upon should occasion demand. The staff benevolent fund received a further contribution of £25,000, which, with interest on investments, made this fund just over £45,000. (Hear, hear.)

THE PROPOSED DIVIDEND AND BONUS.

Despite the fact that they could have paid larger dividends in respect of the years 1915 and 1916 than they did, the directors wisely decided to conserve the company's resources, but with the results of 1917 before them they concluded that the business thoroughly warranted some increased distribution to the proprietors. The question was how this could best be done. While being anxious to give some increase in the dividend, they came to the conclusion that this could not entirely be done in cash, in order not to deplete unduly the company's cash funds. They therefore decided to pay the deferred stockholders a final dividend of 7½ per cent., making with the interim dividend 10 per cent., in cash, and the preferred 5 per cent. in cash, which had already been met by the two payments of 2½ per cent. each made in July and January last. According to the company's articles, after those payments were made, the deferred and preferred stockholders shared equally in any further distribution, and, therefore, the directors concluded that it would be equitable and acceptable to the proprietors to give to the two classes an equal amount in 2 per cent. of deferred stock as a bonus instead of paying any further cash. The balance-sheet showed the position of the company generally to be thoroughly sound, for at 31st December last they possessed in cash and liquid assets £1,700,000, against the liability for the £629,000 of Two-year notes. Warrants for the cash portion of the balance dividend of 7½ per cent. on the deferred stock would be posted that night.

He concluded by moving the adoption of the report and accounts and the payments of the final dividend recommended on the deferred ordinary stock.

Sir Robert Harvey seconded the motion.

ROSEHAUGH TEA AND RUBBER.

CAUSES OF HIGHER COSTS—PROSPECTIVE CROPS
IN 1918.

THE ANNUAL ORDINARY GENERAL MEETING of the Rosehaugh Tea and Rubber Company, Ltd., was held on June 26th at Winchester House, Old Broad Street, Mr. Arthur A. Baumann presiding.

The Acting London Secretary (Mr. A. M. Smith) having read the notice convening the meeting, and the auditors' report,

The Chairman said: Gentlemen,—Mr. Fletcher (the chairman of the company) desires to express to the shareholders his regret that he is not able to be present to-day, but he had been ordered by his doctor to go to Bath. Upon referring to the statement of accounts you will see that the net profits for the past year were £125,831. After adding to this the balance brought forward from 1916, namely, £15,603, there is a total of £141,435 to be dealt with. The dividend on the 6½ per cent. cumulative preference shares has been paid and absorbed the sum of £13,650. Interim dividends on the ordinary shares amounting to 20 per cent., free of tax, have been paid, which has disposed of a further £46,425. In addition to this, your directors have allocated out of the profits £24,032 for income tax, £1,291 to fire, marine and war risks insurance reserve, and £15,000 to general reserve, leaving the sum of £41,037 to be dealt with to-day. Your directors propose that you should accept a final dividend of 10 per cent., free of tax, payable on the 1st July next, absorbing £23,212 and making 30 per cent. for the year, and leaving £17,825 to carry forward to the next account. The trading and profit and loss account explains itself very fully, and the selling prices of our produce, both gross and net, and the all-in cost of production are given in detail in the report, and I can only add that the increase in the all-in cost of rubber is mainly due to the enhanced costs of freight, war risks insurance premiums and estate supplies, and this I am afraid will be even higher in 1918, though, of course, the matter is quite beyond our control. The estimated crops for 1918 are 2,142,000 lbs. of rubber and 1,150,000 lbs. of tea, but owing to the difficulties in obtaining freight, it is not certain whether we shall be able to harvest the whole of these crops. In 1916, as you know, we opened our Colombo office, and from 1st July, 1917, this office took over the Eastern Agency of the Caledonian (Ceylon) Tea and Rubber Estates, Ltd.

DIFFICULTIES OF THE COMING YEAR.

The difficulties of the coming year are great, and they are, I think, three. There is in the first place the shortage of shipping and the consequent restrictions on American imports and English purchases. Secondly, there is the difficulty of exchange, owing to the rise in the price of the rupee and the consequent necessity of giving sterling for rupees. Companies are bound to lose on these transactions. But that is not the only difficulty. Owing to the expenditure on the war by the Indian Government, there is an absolute shortage of rupees in Ceylon, so that the banks cannot or will not buy sterling bills on London, and it is equally difficult to transmit by telegraph sterling from this side. Representations have been made to the Colonial Office and the Secretary of State for India on this subject, but I am not aware that anything has been done to relieve the situation. The third difficulty which the rubber market has to face and which has depressed the price at this moment is the accumulation of rubber stocks in America and in London. There is a larger stock of rubber in England at this moment than there was this time last year. Obviously the present price of rubber cannot rise until those stocks in England and America are worked off. I now beg to move that the accounts and report as submitted to this meeting be and the same are hereby approved and adopted, and that a final dividend of 10 per cent., making 30 per cent., free of tax, for the year, be paid on 1st July next. I will ask Mr. Nevett to second that.

The motion was seconded by Mr. William Nevett and unanimously adopted.

The retiring director, Mr. William Nevett, and the auditors, Messrs. P. D. Leake & Co., having been re-elected,

Mr. Fleming said: I beg to propose a vote of thanks to the directors and staff for the really excellent results, under the present circumstances, which have been achieved in connection with this company. I hope that this resolution will be sent to those who have stood the brunt of things in the East. We all feel gratified by the way in which they have done their work.

Mr. Deacon: I should like to second that. I am one of the earliest shareholders in this company, which has been one of the few successful things that I have had to deal with in my life, and therefore I appreciate it very much. I heartily second the vote of thanks to the directors and staff.

The proposition was unanimously adopted.

The Chairman: Gentlemen, on behalf of my colleagues I beg to thank you for your vote of confidence. I think you all know what this company owes to the ability and to the energy of Mr. Walker and all the superintendents on the estate in the East. We have, I suppose, one of the best sets of superintendents in Ceylon, and Mr. Walker is a man of very great business ability. We will convey to them the expression of thanks which you have passed to-day.

The proceedings then terminated.

BRITISH CYANIDES.

THE ANNUAL ORDINARY GENERAL MEETING of the British Cyanides Company, Ltd., was held on June 26th, at the Cannon Street Hotel, E.C., Mr. C. F. Rowsell (chairman of the company) presiding, said: Ladies and gentlemen,—You will see our profit on trading for the year was £67,478 3s. 4d., as against £41,881 1s. last year; our manufacturing and general expenses amount to £28,479 2s. 1d., as against £21,582 1s. 11d.; depreciation, £2,959 19s. 1d., against £3,224 2s. 1d.; and the result that we are able to carry forward to the balance-sheet a profit of £36,725 2s. 6d., as against £16,040 10s. last year, which shows the very rapid increase in the earning power of the company which has arisen during the year under review. Our dividend, at the rate of 14s per cent., shows an increase of 2 per cent., but it is hardly necessary to remind you of the bearing of excess profit on this point.

Coming now to the balance-sheet, our issued capital amounts to £167,316 12s., and, in pursuance of the resolution passed by the company, all these shares are now ordinary shares as against the issued capital last year of £134,575, consisting of 55,000 ordinary and 79,575 preference shares. On the liability side of our account we also have an overdraft at the bank of £39,370, as compared with an overdraft last year of £22,529 8s. 9d.; our sundry creditors are £39,275 1s. 7d., against £14,749 16s. 2d. last year; our reserve account remains at £10,000. Coming now to the assets side of the account, we have leasehold works and buildings, etc., stand at £85,830 19s. 2d., as against £73,743 6s. 9d. last year. The next item is our freehold works, buildings, plant and machinery, which amount to £28,428 15s. 6d., as against £30,436 3s. We have set out in detail our investments in allied companies—namely 10½ shares in the Oldbury S.C. Syndicate, which, as you know, is a syndicate which was formed for the exploitation of the basin process; 26,499 shares in the British Potash Company, 3½ shares in the National Research Syndicate and Fred Danks, Ltd. Our investment in Fred Danks, Ltd., you will see, cost £31,722 for the purchase of 30,000 shares, and we have made them a loan of £5,000, and in addition we have guaranteed an overdraft of £30,000 on their behalf. The next items may be described as working capital items—namely, investments in War Loan and War Savings Certificates, amounting to £36,877 1s. 10d. and I may say that this item again is taken on a thoroughly conservative basis; book debts, £17,775 11s. 3d., making a total of £93,818 7s. 10d. This should be compared with the liabilities which I have referred already—namely, overdraft at bank of £39,370 6s. 1d.; sundry creditors, £39,275 1s. 7d.; and guaranteed overdraft on account of Fred Danks, Ltd., £30,000, making a total of £108,645 7s. 8d.

I think the figures of the balance-sheet indicate very clearly the greatly increased prosperity of your company, and I am glad to say that this prosperity is based on a very largely increased output from our works, and, while it discloses a thoroughly sound position, it does, at the same time, indicate very clearly that increasing demands of our business require further additions to our cash resources, and it is for this reason that we are recommending you to-day to increase the capital by creating 100,000 5 per cent. cumulative preference shares and 50,000 ordinary shares, with an immediate issue of 50,000 preference and 25,000 ordinary shares; it perhaps would be convenient if I were to deal with this new issue at this stage before turning to my general statement as to the position of the company. Your board has given very close consideration to the question of the future finances of this company, and in doing so they recognised that it was inevitable that this company, if it is to continue its successful career, must very greatly enlarge its sphere of activity, and for this purpose will require from time to time further resources of capital. We, therefore, gave the question our special consideration before placing our scheme before you, as we wish to make it one which will develop our financial resources as our financial requirements demand such development. In our opinion this will be best carried through by the creation of the preference issue, in addition to our ordinary shares, because we feel that a preference issue, such as we have suggested—namely, 5 per cent. cumulative, free of tax—would appeal to a different class of shareholders than to which our ordinary shares appeal. There is a very large class of investor in this country who prefers a share which gives him a definite clean income with no spice of speculation, and in our preference shares which we are creating I think they will find the ideal share, because we shall earn many times over the amount required to maintain the dividend on the preference shares. At the same time there is another class, probably less numerous, which prefers a speculative element, and while we cannot believe that the progress which this company has shown during the past years will continue, it is not possible for a company of this character to avoid, after periods of exceptional prosperity, quieter and less profitable times; therefore, the ordinary shares of a company of this character is bound to have a certain speculative quality, which, as I have said, is attractive to a very large class of investor. I, therefore, feel considerable confidence in recommending the shareholders to adopt the principle which we have suggested for further increases of capital in this company. Of course, the creation of these shares will require the sanction of the company in special meetings. We have not at present called these meetings, as we have not yet received Treasury sanction for the issue, but we have applied for it, and have very little doubt that it will be granted.

The Chairman went on to discuss the company's history, personnel of the staff, the development of new products in the potash industry, the acquisition of adjoining property, and the fact that the proposed adoption of report and accounts.

THE CENTRAL MINING AND INVESTMENT CORPORATION LIMITED.

THE THIRTEENTH ORDINARY GENERAL MEETING of this company was held at No. 1, London Wall Buildings, E.C., on Thursday, the 27th June, 1918. Sir Lionel Phillips, Bart., presided.

The Secretary (Mr. J. L. Siddall) having read the notice and also the auditor's report,

The Chairman, in moving the adoption of the report and accounts, said that at the present time it behoved them to conserve their resources, to put a modest value upon their assets, and to lend all that they possibly could to the State. Those were the principles upon which the board had shaped its policy, and in consequence the shareholders would not find any startling changes in the balance sheet. The amount due to creditors, £3,500,000, had diminished by £290,000, a small change holding the total sum in view. Approximately that amount was invested, by the companies with which they were associated, during last year in 5 per cent. War Loan, and, as their own holding in Government Securities of longer currency than Treasury Bills had risen by £207,000 to £1,190,000, the decrease of £430,000 in Treasury Bills was more than made up. These figures showed their desire to assist as far as they could. But there was, of course, a limit as to the extent to which they could tie up the funds at their disposal, for, like all other banking businesses, they were bound to keep large amounts in a liquid state. Due regard for their commitments must regulate their financial dispositions. Investment securities, debtor, loans and cash amounted to £4,357,000 and, after deducting all liabilities, the readily realisable working capital had been further added to during the year. When stable conditions returned these funds would be available for more active use. Meanwhile, he thought they were well advised to pursue a conservative policy of a preparatory kind, which did not mean that they were not investigating new business or not taking limited risks in anticipation of the happy day when confidence and general conditions might justify a bolder course of action. Their large shareholdings in South Africa and similar investments elsewhere constituted their permanent, if fluctuating, stock in trade. They included interests not yet revenue producing which gradually matured and supplemented or took the place of others that dropped out. The total revenue derived from these holdings, taking full account of the amortisation of wasting assets, brought the company a steady yield commensurate with their character. The net profit of £349,090 was only a little below that of the previous year, and represented rather more than 10 per cent. on the issued capital of the Corporation. They maintained the 1916 rate of dividend. On the ruling market price this was equivalent to a return of over 9½ per cent., less tax. The sum of £150,000 had been carried to the reserve fund, raising it to £300,000.

The balance of the year's profit had gone to swell the carry forward, which would be found in next year's accounts at a round £100,000. He indicated last year the progressive character of the operations of Trinidad Leaseholds, Ltd. The output, which at that time was 6,000 tons monthly, had now increased to roughly 14,000 tons, including about 3,500 tons from the Barrackpore field, acquired by the absorption of the Trinidad Oil and Transport Company, Limited. The topping plant was completed towards the end of June last year, and had proved very satisfactory. The company was now producing fuel oil of a high grade, as well as petrol. This company took up the 100,000 shares held under option. Their confidence in the future of this property was steadily becoming firmly established.

On the whole, he thought he might say, speaking of his administration, that the mines of the Central Rand had held their own in the matter of value of ore developed, and that those of the Far Eastern Rand had still further strengthened their position. The value of the ore reserves of last year compared with those of its predecessor disclosed on the whole a healthy position.

Having referred in detail to the results of the individual mines, the Chairman, in the course of his further remarks, said:—We have added to our interest in the Far Eastern Rand by taking, jointly with the Rand Mines, Ltd., a share in the West Springs Mine, the lease of which was recently granted by the Government to the Anglo-American Corporation. Our holdings in some of the producing deep level mines of the locality have also been increased. The dividends paid by the Gold Mining Companies of the Witwatersrand fell from £7,085,000 in 1916 to £6,556,188 in 1917, a reduction of, roughly, £540,000, or 7.6 per cent. The dividends paid by those of the companies under our administration fell during the same period from £3,637,247 to £3,430,179, or 5.8 per cent. I have excluded from this calculation the six additional companies which came under our wing during the period. The dividends so far declared during the current year are lower than those of 1917, and the outlook is not free from anxiety. In framing our balance sheet, therefore, we have taken adverse factors into earnest consideration, and have maintained in our statement of values a conservative policy. While it is unfortunately true that a number of the older mines are being exhausted, there is considerable hope of maintaining the gold supply, if not quite at the highest point, at least at a very high level for many years to come, because of the favourable developments and extension of operations in the Far Eastern Rand. But apart from actual exhaustion of mines, there is the fact that, owing to the rise in working costs, there is the danger of the output being restricted. A large number of the mines on the Rand will shortly have to be closed down unless

some relief can be given to them. Fourteen mines are barely paying expenses. They employ 6,000 white men and 48,000 natives. Their working costs amount to £6,000,000, per annum, largely spent in South Africa. They furnish the world with about £7,000,000 of gold.

Those who have seen population grow out of single industries on spaces practically uninhabited before have had unique instruction upon one aspect of production—its remarkable wealth-building power. The diamond fields are in an arid, almost desert region. At a time when the annual output of rough diamonds realised, say, £4,000,000, after deducting the amount spent overseas for stores, plant and distributed profits, the balance divided among the white inhabitants would not have provided them with the income of very modest wage earners. There was no other source of support worth mentioning. Similarly on the gold fields, the country was almost uninhabited. Trade was so insignificant as to be negligible. I remember once making a calculation, the figures of which are no longer at my disposal, but their import is quite clearly stamped on my memory. Deducting from the gold output of the time the amount of money sent overseas, and dividing the whole of the balance among the white population would not have given them the means of livelihood, let alone enough to live at the comparatively high rate then prevailing, and, at the time, there was no great amount of money being supplied from external sources for development.

The fact is that new wealth due to the exploitation of resources has a power of sustenance altogether greater than its nominal value. It may be compared to coal, the theoretical energy of which is so vastly greater than that we derive from it. In other words, the actual amount of real value in what we get for what we spend is infinitesimal, and, if the truth were known, the actual cost of our keep may not so greatly exceed that of the beast in the field as we flatteringly imagine. Newly-created wealth does duty over and over again by the process of circulation like the blood in our bodies. By our complex system of invented wants we effect endless changes in elementary products but consume relatively little. Hence every ounce of gold that is extracted performs functions quite disproportionate to its assessed value. What applies to gold applies to all other minerals and, in another degree, to produce of the vegetable kingdom as well. If we could only learn to appreciate this fundamental truth, we should pay more attention to what we can develop out of our own soil and avoid importing, as far as possible, similar substances from other soils, even though they appear to be nominally cheaper.

In considering the chief cause of higher working costs on the Witwatersrand gold fields we are confronted with a situation that appears anomalous in some respects. The war has had a very serious effect upon the gold mining industry of the world. A country like Western Australia has suffered even more grievously than we. Why have wages and stores risen? Largely because they are paid for in a paper currency that, owing to inflation, has depreciated. If there had been enough gold to pay for the balance of external trade in the precious metal, exchanges would have remained normal and the creation of paper money, to transfer the predominant part of internal trade from the ordinary channels into the hands of the Government, would not have caused the great depreciation that we have witnessed in its value. We are in a vicious circle. A rise in commodities involves a rise in wages and vice versa, and thus the snowball of national debt goes on growing from the double cause of expenditure and rising prices. Every thoughtful economist looks at the future with grave misgiving. Debts incurred upon commodities at a high cost must some day be paid for in commodities. The higher their price, the less in quantity needed to square the account. On these premises, the greater the inflation and the higher the value of commodities, the easier the extinction of debt. Unhappily the reverse of this reasoning may have to be faced. A time may come when the supply of commodities will exceed the demand and depress prices. We live in a competitive world and shall hence have to meet our obligations in commodities at the cheapest rate at which they can be supplied from any part of the globe. For the extinction of external debt there is only one substitute for commodities—gold. And again, sufficient commodities for the repayment of huge debts can only be produced, or for that matter absorbed, in the course of many years, and the deferment in the payment of debt during that period can only be secured, at fair rates, by credit based upon gold.

We have all read a good deal of specious argument on the subject of the gold standard and its abolition, but the fact remains that, although reputation for national probity is of great worth and permits delay in settling debts, no amount of confidence in the integrity of a debtor and no amount of sophistry about "liquid wealth" in the shape of raw materials and an industrious population will pay debts. Hard cash, goods, or services of a valuable character are the only considerations acceptable to the creditor. These are the reasons why the gold output has been, and still is, of such vital consequence.

The British Empire produced last year £56,139,030 out of the total world output of £87,983,130, or 63.8 per cent. The standard price for fine gold here is roughly 85s. per ounce. Its varying value is not expressed in a rise or fall in the value of the metal, which fluctuates infinitesimally, but in the rise and fall in the price of commodities and in exchange rates between different centres. Rates of exchange have little to do with the wealth of a country. They mainly represent the state and tendency of trade balances. The movement of a relatively small amount of gold has a surprisingly large effect upon rates of exchange.

It is not my intention to grapple with the abstruse subtleties of the currency question. The consideration of that problem was

entrusted to a committee at the beginning of the present year, under the chairmanship of Lord Cunliffe—until recently Governor of the Bank of England—with a number of distinguished gentlemen, two of whom are connected with the Treasury, eight of whom (including the chairman) are bankers, three members of great financial houses and one a Professor of Political Economy. It is a body whose conclusions will undoubtedly be treated with respect. The currency question, however, certainly deeply concerns the gold producing countries of the Empire, and it is rather surprising, therefore, that no representation of their interests was given upon the Committee. The interests of the gold producer and those of the banker or merchant are not always identical. In a recent letter from Mr. Samuel Evans, the managing director of the Crown Mines, this aspect is presented:—

"The business of bankers," he says, "is to deal in money, money in all forms, and, consistent with the maintenance of confidence the more money—not only gold, but also paper—there is to deal in, the more profit they can make for their shareholders. The annual reports of the leading English banks show that, on the whole, 1917 was one of the most prosperous years they have ever had."

I think my correspondent may not have given full weight to ruling rates of interest in his review of banking prosperity. It is certainly in the interest of the banks, in one sense, that there should be an ample supply of paper currency and of stocks and securities which bear interest, with limited obligations in regard to gold cover. But, apart from the fact that most bankers will take a broader view, there is a limit to the representation of wealth in such a form, because inflated currency rates means high prices, and high prices mean in turn less safety for advances upon securities and materials. Copper, for instance, at a market value of £50 per ton, is better security than copper at £100 a ton. The financial stability of the world is undoubtedly best protected by the backing of as much gold as possible against paper securities and emergencies. It is not necessary, however, for me to pursue this branch of the subject for the purpose of showing—as I think I shall be able to—that gold, during the war period at least, has been of greater value than the consideration paid for it.

I want to get a clear field to start with. Do not let us mix up the purely domestic question of cost of working, or whether certain low-grade mines should be subsidised or closed down. Those are matters for the exclusive consideration of the people of the gold-producing countries. If gold was of such a value that it paid to buy it for more than the normal price, I could understand a special bonus per ounce being given to the Government concerned for distribution among those working material not sufficiently productive to cover the entire working cost. Or a Government faced with this problem might deem it in the interest of the State to subsidize needy mines for the purpose of giving employment to the people. Such considerations are purely of local concern.

The value of our gold in the world's markets is another matter and takes no cognizance of the yield or cost of working the mines. The subject is complex and delicate. I desire to deal with it fairly and in no partial spirit. When war broke out an agreement was made with the Bank of England to purchase the output in South Africa at the standard rate, subject to certain charges. At the time, the terms appeared, as I am sure they were intended to be, entirely fair to the producers. In the early days of the war the immense purchases of material from abroad and the diminishing export trade manifested themselves in adverse exchange rates, and, as the effect was brought to my notice by a representative of some of the gold producing companies, I directed the attention of the Government to the matter. This was at the end of August, 1915: I did not pursue the subject then for a variety of reasons, which it could serve no useful purpose to enter into now. Very shortly after that the Bank of England, at the instance of the British Government, made certain modification in the first agreement which involved higher charges to the mines, but stated "it was not desired to make profit or loss on realisation." Without laying too much stress on the matter, I feel bound to note that the producers were not given much opportunity of expressing their views upon the subject. A definite offer was made which left no opening for negotiation. I confess, however, that no one could then foresee either the duration of the war or its effects upon the finances of the world. Everyone knows, moreover, and gratefully acknowledges, that but for the British Navy the gold mining industry would have come to a standstill. Since the agreement was made, we have steadily watched the increasing losses to which gold mining has been subjected from a variety of causes, but we contend mainly on account of the adverse exchanges.

With the solitary exception of gold, all commodities have risen, at least in the ratio of their increased cost of production. Fine gold (if we exclude the small amount now permitted to be used for trade purposes, which has risen to something like 115s. per oz.), has remained stationary at the standard price of 85s. per fine oz. That the raw gold from South Africa is worth more than the price paid for it in paper currency is not a difficult matter to demonstrate in general terms. It is extremely difficult to assemble the data required to prove the amount of the increased value. That is the problem that awaits solution. If we assessed its value according to the rates of exchange it must be admitted that the Exchequer made a very profitable bargain. But the rates of exchange are not the true measure of its value, because it was used partly to regulate those rates and without our gold the adverse exchanges would have been still higher. We must, however, not lose sight of the fact that our gold can only be disposed of in markets able to consume it on the one hand and give commodities or credits for it on the other.

Surely here is a case for investigation and, if my contention be upheld, adjustment. (Hear, hear.)

A meeting will be held next week of the chief representatives of gold production in the Empire with a view to formulating and submitting their case to the Government.

SOUTH WEST AFRICA

AN ORDINARY GENERAL MEETING of the shareholders of the South West Africa Company, Ltd., was held on June 20th at Winchester House, Old Broad Street, E.C., Mr. Edmund Davis (chairman of the company) presiding.

The Chairman said: Gentlemen,—We now present our accounts to the 31st December, 1917, and in doing so wish to draw your attention to some of the items appearing in the balance-sheet. The issued capital and unclaimed dividends remain the same as at the 31st December, 1916; sundry creditors and credits balances at £45,625 show an increase of £7,862, comparing with the accounts at the 31st December, 1916, a difference principally due to the further year's subsidy payable to the Otavi Company, the amount being £7,500 per annum, making the total under this heading at the date of the balance-sheet £28,125. Reserve against interest on investments inscribed or deposited and on bankers' balances in Germany in the present instance stands at £132,781, or an increase of £43,875 comparing with our previous accounts. There is no change in land sales account at £55,292 and the only other item on this side of the balance-sheet is profit and loss account, in which we have, in the first instance, brought in the balance as at the 31st December, 1916, £88,745, and added the profit for the year, £95, leaving a balance of £88,840. Turning to the other side of the account, we have cash at bankers and in hand, London and South-West Africa, £43,583, or an increase of £38,846, compared with the balance-sheet at the 31st December, 1916, and at bankers, Berlin, in current and first deposit accounts, £474,590, being the same as at the 31st December, 1916. Investments at or under cost, inscribed or deposited in London and inscribed or deposited in Germany, stand at £1,288,874, compared with £1,320,107 at the end of the previous twelve months, a decrease of £31,233 on the investments held here, though this is more than balanced by the £38,846 increase in cash already referred to. Debtors at £132,329 show an increase of £48,747, the difference being practically due to interest on investments inscribed or deposited in Germany and on fixed deposits with bankers, which at £97,829 compares with £49,082 at the 31st December, 1916, thus accounting for £48,747 of the increase. Unpaid purchase money of farm and town lots sold and advance to settlers, at £29,987, is £3,736 less than the amount appearing under this heading in our previous balance-sheet, the difference being due to payments during the year under review. Buildings, South-West Africa, £6,879, furniture, plant, farm stock, etc., £9,688, and office furniture, £371, have been brought in as at the 31st December, 1916, less depreciation, as shown in the profit and loss account. Land survey and water boring at £8,156 is practically the same as in our previous accounts, and shares in other companies, £22,328, is unchanged, and Damaraland concessions at £56,977 shows an increase of £550. There is no occasion to make much reference to the profit and loss account unless it is to draw your attention to the slight increase under dividends on investments and interest, London, which at £26,418 shows an increase of £1,222 over the previous twelve months. In the twelve months ended the 31st December, 1916, there was a loss of £8,081, whereas for the twelve months covered by our present accounts there is a small profit—namely, £95—as shown in the debit side of the profit and loss account.

THE INVESTMENTS.

We have, in accordance with our custom, set out in the report a list of the investments standing in the balance-sheet at £1,288,874, which include our holding of £300,000 of 5 per cent. War Loan referred to at our last general meeting. At the meeting we also stated that we had then realised our interest in 3½ per cent. Swiss Federal Loan and in 4 per cent. Norwegian Government stock. Since the date of the balance-sheet we have increased the company's interest in War stocks by the purchase of £20,000 National War Bonds, which we feel certain will meet with your approval. (Hear, hear.) Our investments inscribed or deposited in Germany, at £733,759, stand at the same amount as at the 31st December, 1916. The operations of the Otavi Exploring Syndicate, Ltd., are still being carried on on a limited scale, high grade copper ore being shipped to this country and realising satisfactory prices. The Otavi Mines and Railway Company, in which we are largely interested, is carrying on its operations, and has, we understand, made or arranged for the shipments of ore since those reported at our last general meeting. The only other matter to which reference need be made is to enemy-owned shares. The Parliamentary Committee which is inquired into the affairs of the company in 1916 expressed a desire to see the enemy interest in question as far as possible eliminated and advised the Board of Trade accordingly. We have done all we possibly could to give effect to this decision, and have not only interviewed the President of the Board of Trade on the subject, but have also offered to buy out the enemy registered shareholders, but have so far met with nothing but refusals to the proposals put forward. It is with great interest that we have noticed within the last week the action of the Union Government of South Africa, which has unhesitatingly dealt with enemy holdings in a South African registered company, and thus followed the lead of another of our colonies, and it may not be unreasonable to suppose that such a decision may, perhaps, tend to alter the official attitude in our case—an attitude which is somewhat difficult for us to fathom, but is no doubt due to some special reason we are not yet able to understand. I now beg to move:—"That the report of the directors, together with the statement of the company's accounts to 31st December, 1917, duly audited, be received, approved and adopted." Previous to putting this resolution to the meeting, I shall be very pleased to answer any questions you may wish to address to the chair.

Mr. F. Eckstein seconded the motion, which was unanimously adopted without discussion. He and Mr. D. O. Malcolm, retiring directors, were re-elected.

BRAKPAN MINES, LIMITED

(Incorporated in the Transvaal.)

DIVIDEND No. 13.

NOTICE IS HEREBY GIVEN that an INTERIM DIVIDEND of 20 per cent. (4s. 0d. per share) has been declared, payable to shareholders registered at the close of business on the 29th June, 1918, and to holders of Coupon No. 13 attached to Share Warrants to Bearer.

The TRANSFER BOOKS of the Company will be closed from the 1st to the 6th July, 1918, both days inclusive.

DIVIDEND WARRANTS will be dispatched as soon as possible after the final London Transfer Returns have been received and verified at the Head Office in Johannesburg.

Coupon No. 13 attached to Share Warrants to Bearer will be payable at the Head Office, London Office, and Credit Mobilier Français, Paris, on and after the 6th August, 1918. Further information will be given by advertisement as to when coupons may be presented.

Coupons and Dividend Warrants paid by the London Office to shareholders resident in the United Kingdom will be subject to deduction of English Income Tax.

Coupons and Dividend Warrants paid by the London Office to shareholders resident in France and Coupons paid by the Credit Mobilier Français, Paris, will be subject to a deduction on account of French Income Tax and French Transfer Duty.

By Order,

J. H. JEFFERYS,

Secretary to the London Committee.

London Transfer Office:

5, London Wall Buildings,
Finsbury Circus, London, E.C. 2,
24th June, 1918.

THE CITY.

Quite a good tone has developed for Russian securities on the Stock Exchange. Bonds which were almost unsaleable a few weeks ago have become difficult to buy and shares which could hardly be given away have found ardent purchasers. There is a good deal of sense in this change of attitude. Nobody believes that anarchy will be perpetual in Russia or that the Bolshevik repudiation of the national debt is the last word on the subject. Some day peace terms, or social evolution, will bring Russia a sane Government which will recognise the duty, or the wisdom, of acknowledging the foreign debt. It is a matter of time and patience, and those who buy Russian Government bonds at knock-out prices will ultimately see a profit in the form of capital appreciation which has the additional attraction to some investors of being exempt from income tax.

It is good policy for holders of Russian bonds to buy more to average, recognising, as they must, that there is an element of speculation in the transaction; and, if it is worth while for a holder to average, it is equally right for others to take up stock provided that they are prepared to bide their time. But when the craze for things Russian runs in the direction of oil shares that have not been heard of since the war began it is time to cry *Cave*. The best oil and mining companies in Russia are in serious difficulties in regard to labour, supplies of materials, exchange and many other details. And if the best companies are in trouble, what can be the position of the worst? In time the best will survive their ordeals, though the way looks dark at present; but speculators who buy the rubbish shares now, though they may be lucky enough to get out with a profit if they are smart, are more likely to find themselves in possession of shares for which there is no selling market.

Amidst the industrial prosperity which finds reflection in rising dividends and bonus share issues there is a conspicuous instance of misfortune and injustice in the position of the gas companies and their stockholders. Some time ago several companies applied to Parliament for powers to raise their charges and at the same time to suspend temporarily the operation of the statutory sliding scales whereby dividends are regulated. When the subject was referred to a Select Committee, it was hoped that the reasonable requirements of the companies would receive attention, having regard to the exceptionally adverse circumstances. The committee has now issued an extraordinarily unsatisfactory report. It recommends that some provision should be made to modify the statutory requirements as to prices and

dividends in cases where undertakings have been injuriously affected by the war, and it suggests that, where a company's dividend has been reduced to one-half of the standard or maximum rate or to one-half of the average of the three years preceding the war (whichever may be smaller), the sliding scale of prices shall cease to operate and the company may charge a price considered by the Board of Trade to be sufficient to enable it to pay the half-rate dividend. The iniquity of this suggestion is obvious when it is realised that in the case of the South Metropolitan Gas Company, for example, no relief could be obtained until the interest on the money subscribed by stockholders in the last forty years has been reduced to 1½ per cent. annually. The losses inflicted upon gas shareholders by the War are easily seen in the comparison of a few current quotations with those of July, 1914:—

	July, 1914.	Now.
Gas Light and Coke	152½	92½
South Metropolitan	112	65
South Suburban	115	70
Wandsworth, Wimbledon, etc. ...	153½	82½
Tottenham District	136½	92½
Commercial Gas	107	65
Brighton and Hove	210½	136
Hastings and St. Leonards ...	88	50

Had the companies been purveyors of some useless luxury, probably their profits would have increased largely during the War. No other trade or industry has been prevented from raising its charges for the purpose of maintaining or even increasing the rate of dividend paid before the War, and it is difficult to understand why the purveyors of such necessities as light and heat may only receive relief when their ordinary dividends have been halved.

The War has developed some remarkable contrasts and surprises. Who, for example, would have thought at the outbreak that while gas companies were penalised, insurance companies would be enjoying unexampled prosperity, that insurance shares would be the most difficult to buy and that marine business would be so profitable that the big companies would be competing with each other for control of the smaller marine underwriting institutions? Practically the only serious mishap affecting insurance companies during the War appears to have been the Salonika fire and that, like other more serious conflagrations in the past, has served to emphasise the strength of British companies which had risks there.

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